

LOSS COSTS – IMPLEMENTATION

JUNE 25, 2019

COMMERCIAL AUTOMOBILE

LI-CA-2019-148

VERMONT REVISED COMMERCIAL AUTO ADVISORY PROSPECTIVE LOSS COSTS TO BE IMPLEMENTED; NEW FILING FORMAT

KEY MESSAGE

Loss costs representing a 4.5% statewide change to be implemented.

BACKGROUND

In circular [LI-CA-2019-112](#), we provided you with information about the Commercial Auto loss cost level experience review.

ISO ACTION

We filed CA-2019-BRLA1, which presents a review of Commercial Auto loss cost experience.

Refer to the attached explanatory material for complete details about the filing.

IMPORTANT NOTE

Change in Format

The filing has been restructured. All explanatory text, for all sections of the filing, appears first; all exhibits are grouped together and appear thereafter; followed by the manual pages. We invite customers to share feedback on this revised format and suggestions for further enhancements by contacting the individuals listed in the Contact Information block.

SUPPLEMENTARY INFORMATION

We are including supplementary information for Vermont, which provides additional information on the attached loss cost level experience review.

NOTE: This supplementary information is **not** part of the experience review document and, in states where we are making a filing, is **not** part of the filing.

EFFECTIVE DATE

The ISO revision is subject to the following rule of application:

These changes are applicable to all policies written on or after January 1, 2020.

This effective date applies only to those insurers who have filed their Commercial Auto loss cost adjustments to be automatically applicable to future ISO loss cost revisions.

IMPACT ON THE STATISTICAL REPORTING OF LOSS COST MULTIPLIER

For the purpose of reporting your company Loss Cost Multiplier under the CSP, as of January 1, 2020, the multiplier must be based on the relationship between your gross rates and the ISO advisory prospective loss costs contained in this circular.

COMPANY ACTION

You must independently determine the final rates you will use. The action, if any, you must take in response to this filing is dependent upon how you filed to have your loss cost adjustments apply to subsequent revisions of ISO loss costs. Any submission you make with respect to this revision must comply with applicable regulatory filing requirements.

For guidance on submission requirements, consult the ISO State Filing Handbook.

WE WILL SUBMIT OUR REFERENCE FILING TO THE INSURANCE DEPARTMENT ON DECEMBER 1, 2019. ANY SUBMISSION YOU MAY MAKE WITH THE INSURANCE DEPARTMENT WITH RESPECT TO THIS FILING SHOULD NOT BE SUBMITTED PRIOR TO THIS DATE.

In all correspondence with the Insurance Department on this revision, you should refer to ISO Reference Filing Number CA-2019-BRLA1, NOT this circular number.

CAUTION: This reference filing revises only certain advisory prospective loss costs for Commercial Auto in this state. In determining whether or not to revise your rates, you should consider the application of your loss cost adjustments to any loss costs not included in this revision.

RATING SOFTWARE IMPACT

No new attributes are being introduced with this revision.

POLICYHOLDER NOTIFICATION

If you decide to implement this revision, you should check all applicable laws for the state(s) to which this revision applies, to determine whether or not a specific policyholder notice requirement may apply. Please note that circular [LI-CL-2018-044](#) contains the ISO Guide To Renewals With Changed Conditions For Commercial Lines, which is available only as a guide to assist participating companies in complying with various conditional renewal statutes or regulations, for the major commercial lines of insurance serviced by ISO. The information in the Guide does not necessarily reflect all requirements or exceptions that may apply, and it is not intended as a substitute for your review of all applicable statutes and regulations concerning policyholder notification.

FUTURE ISO ACTION

We will provide a status report for this and other Basic Limits Loss Costs (BRLA1) revisions. Please refer to the Insurance Lines Services web site (www.verisk.com/ils). In addition to other information, this web site contains copies of major multistate filing status reports that are updated approximately every two weeks.

REVISION DISTRIBUTION

We will issue a Notice to Manualholders with an edition date of 1-20 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

REFERENCE(S)

- [LI-CA-2019-112](#) (06/05/2019) Commercial Auto Experience Level Indications Reviewed By Staff
- [LI-CL-2018-044](#) (11/27/2018) Revised Lead Time Requirements Listing

ATTACHMENT(S)

- Filing CA-2019-BRLA1
- Supplementary Information

FILES AVAILABLE FOR DOWNLOAD

To download all files associated with this circular, including attachments in the full circular PDF and/or any additional files not included in the PDF, search for the circular number on [ISOnet Circulars](#). Then click the Word/Excel link under the Full Circular column on the Search Results screen.

Please note that in some instances, not all files listed in the Attachment(s) block (if applicable) are included in the PDF.

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DATA QUALITY

Statistical plan data reported to ISO is first processed through a system of rigorous automated data verification procedures so that only valid data would be used for ratemaking. Subsequent to this initial data submission review, additional analyses on the statistical plan data involving an even more customized data review for this line was performed by staff. During these processes, various data records were excluded from the review. The ISO staff responsible for this circular also reviewed the data for reasonableness.

ACKNOWLEDGEMENT OF ACTUARIAL QUALIFICATIONS

The American Academy of Actuaries' "Qualifications Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States" requires that an actuary issuing a Statement of Actuarial Opinion should include an acknowledgment with the opinion that he/she has met the qualification standards of the AAA. ISO considers this loss cost review a Statement of Actuarial Opinion; therefore, we are including the following acknowledgment:

I, David Terné, am a Managing Director of Strategic Actuarial Operations for ISO and I, James Davidson, am an Actuarial Director for Commercial Auto for ISO. We are jointly responsible for the content of this Statement of Actuarial Opinion. We are both members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

CONTACT INFORMATION

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Callers outside the United States, Canada, and the Caribbean may contact us using our global toll-free number (International Access Code + 800 48977489). For information on all ISO products, visit us at www.verisk.com/iso. To keep abreast of the latest Insurance Lines Services updates, view www.verisk.com/ils.

VERMONT

BASIC LIMITS PROSPECTIVE LOSS COST LEVEL – COMMERCIAL AUTOMOBILE

FILING CA-2019-BRLA1

EXECUTIVE SUMMARY

PURPOSE

This document:

- revises the advisory prospective loss costs for the major Commercial Automobile classes. These loss costs represent a 4.5% statewide change from the loss costs currently in effect.
 - provides the analyses used to derive these advisory loss costs.
-

DEFINITION OF
THE ISO ADVISORY
PROSPECTIVE
LOSS COSTS

Advisory prospective loss costs in this document are the expected value of that portion of a rate that does not include provisions for expenses (other than loss adjustment expenses) or profit, and are based on historical aggregate losses and loss adjustment expenses adjusted through development to their ultimate value and projected through trending to a future point in time. Throughout this document the words “loss cost” are synonymous with the words “prospective loss cost.”

OPTIONAL CLASS
PLAN LOSS COSTS

The loss costs contained in this filing CA-2019-BRLA1 are intended for use with the class plan in our standard manual. The prospective loss costs in this filing have also been used as the basis to develop the loss costs for the Optional Class Plan, which are located in companion filing CA-2019-BRLB1.

CHANGE IN
FORMAT

In this document, all explanatory material appears first, followed by all exhibits, and then the revised prospective loss costs. Explanatory pages are numbered B-1 through C-25, the exhibits are labeled EXHIBIT A1 through EXHIBIT C17, and the revised prospective loss cost pages are numbered D-1 through D-13.

AUTO DEALERS
LIABILITY
COVERAGE

The Auto Dealers Liability coverage is not being reviewed this year.

REVISED LOSS
COST CHANGES

The statewide advisory loss cost level changes are:

<u>Trucks, Tractors & Trailers</u>	<u>Indicated</u>	<u>Filed</u>
Liability		
Single Limit Liability	5.6%	5.6%
Physical Damage		
Other than Collision	3.5%	3.5%
Collision	3.1%	3.1%
Total Trucks, Tractors & Trailers	4.7%	4.7%
<u>Private Passenger Types</u>		
Liability		
Single Limit Liability	3.8%	3.8%
Physical Damage		
Other than Collision	11.2%	11.2%
Collision	0.8%	N.C.
Total Private Passenger Types	3.7%	3.5%
<u>Grand Total</u>	4.5%	4.5%

Loss cost level changes are relative to the current loss costs.

INDICATED VS.
FILED

Indicated changes are based on standard ISO methodology, utilizing a 1/1/2020 trend effective date. The filed loss cost level changes are the same as the indicated with the following exception: No Change (N.C.) was selected for Private Passenger Types Collision due to the modest indication.

PRIOR ISO
REVISIONS

The latest selected revisions in this state are:

<u>Filing</u>	CA-2018-BRLA1	CA-2017-BRLA1	CA-2015-BRLA1
Rate Level/ Loss Costs	Loss Costs	Loss Costs	Loss Costs
Effective Date	1/1/2019	1/1/2018	1/1/2016
<u>Changes</u>			
Indicated	2.0%	3.6%	6.4%
Filed	1.3%	3.3%	5.9%
Approved	1.3%	3.3%	5.9%

HISTORICAL
SOURCE DATA

The sources of the data underlying this loss cost review are:

- ISO companies reporting voluntary automobile experience under the Commercial Automobile modules of ISO's statistical plans.
 - Accident year data through year ended 06/30/2018 for all coverages.
-

ADJUSTMENTS TO
REPORTED
EXPERIENCE

Loss Trend

To adjust the loss data to levels expected to prevail during the period when the revised loss costs will be in effect, historical losses have been multiplied by trend factors. These trend factors are based on the changes in claim cost and claim frequency that are expected to arise between the historical experience period and the prospective period during which the revised loss costs are anticipated to be in effect. Historically, frequency trends for Commercial Auto liability have been quite variable, have differed between Trucks, Tractors, and Trailers (TTT) and Private Passenger Types (PPT) liability classes, and have often displayed cyclical patterns. As a result, an exponential curve of the form $Y=A(B^X)$ does not fit the data well over the long term. To reflect these characteristics and the difficulty in predicting turning points and rates of change, frequency trend is being selected to be 0% for TTT and PPT for both the Bodily Injury and Property Damage coverages.

Claim cost trend data through second quarter 2018 and claim frequency trend data through first quarter 2018 were used in selecting the following annual liability trend factors:

<u>Coverage</u>	<u>Annual Trend Factor</u>
Trucks, Tractors, and Trailers Liability:	
Bodily Injury	+4.4%
Property Damage	+4.1%
Private Passenger Types Liability:	
Bodily Injury	+4.4%
Property Damage	+4.1%
Trucks, Tractors & Trailers OTC	+7.0%
Trucks, Tractors & Trailers Collision	+4.5%
Private Passenger Types OTC	+7.0%
Private Passenger Types Collision	+4.5%

OCN Trend

To recognize the trend in the Original Cost New (OCN) relativities for Trucks, Tractors & Trailers and Private Passenger Type's physical damage, aggregate loss costs at current level have been multiplied by trend factors. The selected annual OCN trend factors for Trucks, Tractors & Trailers are +1.0% and +1.5% for OTC and Collision respectively. For Private Passenger Types, the OCN Trend factors are +1.0% and +0.6% for OTC and Collision respectively.

Standard actuarial procedures have been used in calculating the loss costs including adjusting the losses to ultimate settlement level, reflecting all loss adjustment expenses.

TEN LARGEST
COMPANIES/
GROUPS
IN THIS REVIEW

LIABILITY (ASLOB 19.3 & 19.4)

1. Liberty Mutual Insurance Company
2. Travelers Indemnity Company
3. Nationwide Mutual Insurance Co.
4. Zurich American Insurance Company
5. Frankenmuth Mutual Insurance Co.
6. NGM Insurance Company
7. American National P&C Company
8. Concord General Mutual Ins. Co.
9. Sentry Insurance A Mutual Company
10. Patrons Cooperative Fire Ins. DBA

PHYSICAL DAMAGE (ASLOB 21.2)

1. Liberty Mutual Insurance Company
2. Cincinnati Insurance Company
3. Travelers Indemnity Company
4. Zurich American Insurance Company
5. NGM Insurance Company
6. Frankenmuth Mutual Insurance Co.
7. Concord General Mutual Ins. Co.
8. Tokio Marine Companies
9. American Alternative Insurance Corp.
10. Motors Insurance Corporation

Insurers are listed in descending order based on the percent of statewide written premium volume from Annual Statement Page 15 for the year ending 12/31/2017 for the Annual Statement Line of Business (ASLOB) indicated.

MARKET SHARE

The market share of ISO participating insurers used in this review as measured by Annual Statement Page 15 written premium for the year ending 12/31/2017 is:

Liability (ASLOB 19.3 & 19.4)
43.6%

Physical Damage (ASLOB 21.2)
38.8%

COMPANY
DECISION

We encourage each insurer to decide independently whether the judgments made and the procedures or data used by ISO in developing the loss costs contained herein are appropriate for its use. We have included within this document the information upon which ISO relied in order to make such independent judgments.

The data underlying the enclosed material comes from companies reporting to Insurance Services Office, Inc. Therefore, the ISO experience permits the establishment of a much broader statistical ratemaking base than could be employed by using any individual company's data. A broader data base enhances the validity of ratemaking analysis derived therefrom. At the same time, however, an individual company may benefit from a comparison of its own experience to the aggregate ISO experience, and may reach valid conclusions with respect to the manner in which its own costs can be expected to differ from ISO's projections based on the aggregate data.

Some calculations included in this document involve areas of ISO staff judgment. Each company should carefully review and evaluate its own experience in order to determine whether the ISO selected loss costs are appropriate for its use.

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VERMONT
COMMERCIAL AUTOMOBILE
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OVERVIEW OF ISO ACTUARIAL PROCEDURES – COMMERCIAL AUTOMOBILE

INTRODUCTION	Commercial Automobile advisory prospective loss costs are determined by evaluating the adequacy of the current ISO loss costs to pay for our best estimate of losses and all loss adjustment expenses that will be incurred in the prospective (or future) period. This evaluation is done separately by coverage for the major classes.
STEP 1: DETERMINATION OF STATEWIDE LOSS COST INDICATION	The first step in this process is the determination of the statewide loss cost indication by major class/coverage. In other words, what percentage changes on average must be made to the current ISO loss costs in order to achieve adequacy for the prospective conditions? The percentage changes are presented on the exhibits labeled "Determination of Statewide Advisory Loss Cost Level Change."
STEP 2: DISTRIBUTION TO TERRITORIES	For all of the liability coverages and for Trucks, Tractors & Trailers and Private Passenger Types Physical Damage, ISO then distributes the filed statewide basic limit loss cost change to the individual territorial loss costs by comparing the relative loss experience by territory to the statewide average.
STEP 3: APPLICATION OF PERCENT CHANGES	The last step is the calculation of the ISO advisory prospective loss costs. This is achieved by applying either the filed statewide or territorial changes to the current ISO loss costs. For liability, the percentage change is applied at the basic limit; for physical damage, it is applied at the base OCN, age and deductible. The resulting Loss Costs are displayed in Section D.

OVERVIEW OF ISO ACTUARIAL PROCEDURES – COMMERCIAL AUTOMOBILE

STEP 1 – DETERMINATION OF STATEWIDE ADVISORY LOSS COST LEVEL CHANGE

OBJECTIVE	<p>The objective of this procedure is to determine the indicated statewide advisory loss cost level change. This procedure answers the question: what percentage changes must be made on average to the current ISO loss costs in order for them to be adequate to cover indemnity losses and all loss adjustment expenses incurred in the prospective period in which the revised loss costs are assumed to be in effect?</p>
DESCRIPTION	<p>This procedure compares the developed and trended incurred losses and loss adjustment expenses with the aggregate loss costs at current ISO loss cost level, which is the aggregate amount that would have been collected if the current ISO loss costs were used during the experience period. This experience ratio (losses and all loss adjustment expenses divided by aggregate loss costs) is calculated for several years and a weighted average is calculated. The weights are determined as a function of the credibility or volume of claim experience. The average experience ratio is then credibility weighted with the expected experience ratio in order to minimize the impact of random variation in the observed losses. This credibility weighted experience ratio is the indicated statewide advisory loss cost level change in decimal form.</p>
EXPERIENCE BASE	<p>The experience used in this review is the latest available as reported under the ISO Commercial Statistical Plan. All coverages are on an accident year basis. For liability, the review is conducted on a \$100,000 basic limits basis - indemnity losses are limited to \$100,000 per occurrence.</p>
AGGREGATE LOSS COSTS (Item 1)	<p>The aggregate loss costs at current ISO loss cost level are the loss-related revenue that would have been collected if the current ISO loss costs were used during the experience period. It is calculated by extending the exposures by the current ISO loss costs. For liability, the \$100,000 basic limit loss costs are used. For Trucks, Tractors, and Trailers and Private Passenger Types Physical Damage, loss costs are on an all deductibles combined basis.</p> <p>Trucks, Tractors & Trailers and Private Passenger Types physical damage aggregate loss costs are placed on the prospective OCN relativity level by the application of OCN trend factors.</p>

INCURRED
LOSSES & LAE
(Item 2)

The incurred losses and loss adjustment expenses are our best estimate of the ultimate payment for indemnity losses and loss adjustment expenses using the claim frequency and severity levels ISO expects to occur during the prospective period for which the revised loss costs will be used.

For the liability coverages, the reported incurred losses and allocated loss adjustment expenses are subject to the following adjustments:

- Incurred indemnity losses are capped at the basic limit;
- Developed to an ultimate settlement basis by the application of loss development factors;
- Loaded for unallocated loss adjustment expenses;
- Placed on the prospective cost/frequency levels by the application of trend factors.

For the physical damage coverages, the reported paid (accident year) losses are subject to the following adjustments:

- Paid Other Than Collision losses are adjusted using an Excess Wind and Water procedure;
- Developed to an ultimate settlement basis by the application of loss development factors;
- Loaded for all loss adjustment expenses;
- Placed on the prospective cost/frequency levels by the application of trend factors.

Refer to Section C for the support for these loss related adjustments.

EXPERIENCE
RATIO
(Item 3)

The experience ratio is the ratio of the incurred losses and loss adjustment expenses to the aggregate loss costs at current ISO loss cost level. It measures the adequacy of the current ISO loss costs for the prospective period.

YEAR WEIGHTS
(Item 4)

The number of years of experience used and year weights are determined by the total number of claims in the experience period. To the extent there is adequate credibility, ISO uses fewer years and gives greater weight to the most recent years. Refer to the credibility pages of Section C for the methodology used to arrive at both the number of years used and the year weights.

EXPECTED
EXPERIENCE
RATIO
(Item 7)

The expected experience ratio is our best prediction of the experience ratio if the most recent data was not available. For this review we have assumed that the current loss costs were adequate when implemented and will be inadequate for the prospective period to the extent of the net trend. It is calculated as the combined trend factor projected for the number of years between the last revision (or review) and this revision.

CREDIBILITY

Credibility is based upon the number of claims for all years in the experience period. The procedure for assigning credibility is outlined in the credibility pages of Section C.

CREDIBILITY
WEIGHTED
EXPERIENCE
RATIO

The average experience ratio is credibility weighted with the expected experience ratio. The resulting credibility weighted experience ratio, converted to a percentage, is the indicated change to the current ISO loss costs.

OVERVIEW OF ISO ACTUARIAL PROCEDURES – COMMERCIAL AUTOMOBILE

STEP 2 – DETERMINATION OF TERRITORY RELATIVITIES

OBJECTIVE	The objective of this procedure is to distribute the statewide loss cost indication by territory. In other words, what percentage changes by territory should be made in order to equitably achieve an adequate statewide prospective loss cost level?
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TRUCKS, TRACTORS & TRAILERS AND PRIVATE PASSENGER TYPES LIABILITY AND PHYSICAL DAMAGE	For Trucks, Tractors & Trailers and Private Passenger Types, this procedure compares the individual territory experience ratios to the statewide average experience ratio. The territory experience ratio is calculated for the latest 5 years and a statewide weighted-average experience ratio for the same period is calculated using the aggregate loss costs (product of earned car years (col 1) and underlying loss cost (col 2)) as weights. The territory experience ratio is then credibility weighted with the statewide average experience ratio to produce a formula experience ratio. The territory formula experience ratio is then compared to the statewide weighted average formula experience ratio to determine the territory index to state. The territory index is then multiplied by the filed loss cost level change in order to produce the indicated change to the individual territories. This change is then applied to the current territory base loss cost.
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EXPLANATORY MEMORANDUM FOR TRUCKS, TRACTORS & TRAILERS AND PRIVATE
PASSENGER TYPES LIABILITY TERRITORY DEVELOPMENT

COLUMN (1) EARNED CAR YEARS	Number of car-years, or exposures, earned in the latest year. These exposures are used to calculate the weighted averages through the analysis. (For calculating the weighted average of the Experience Ratio in Col (4) and the Formula Experience Ratio in Col (6) the product of [Col(1) x Col(2)] are used as weights).
COLUMN (2) \$100,000 LOSS COST	Average \$100,000 loss cost at current level (earned aggregate loss cost at current level divided by exposures) is based on the latest accident year experience available and reflects the \$100,000 basic limit at the present ISO manual level.
COLUMN (3) 5 YEAR ENDED EXPERIENCE LOSS COST	Loss cost based on the latest 5 years of experience (for purposes of stability). The loss cost is Bodily Injury and Property Damage combined and is trended and developed to an ultimate settlement basis including all loss adjustment expenses.
COLUMN (4) EXPERIENCE RATIO LOSS COST	For each coverage, an experience ratio by territory is derived by dividing the 5 year experience loss cost by the average \$100,000 loss cost at present ISO manual level. [Col. (3) / Col. (2)]
COLUMN (5) CREDIBILITY	The experience ratio thus calculated is assigned a credibility value on the basis of the number of claims underlying the 5 year pure premium (See Section C for credibility standards). The complement of the credibility is assigned to the statewide experience ratio which appears in Col. (4).
COLUMN (6) FORMULA EXPERIENCE RATIO	<p>The formula experience ratio is a credibility weighted average of the territory group experience ratio and statewide experience ratio. The formula is as follows:</p> $\frac{[\text{Terr. Group Col. (4)} \times \text{Terr. Group Col. (5)}] + [\text{SW Total Col. (4)} \times (1.0 - \text{Terr. Group Col. (5)})]}{[\text{Terr. Group Col. (4)} + \text{SW Total Col. (4)}]}$

COLUMN (7)
INDEX TO
STATE

Territory indices to state are calculated by dividing the territory formula experience ratio by the statewide average formula experience ratio

[Terr. Col (6) / SW Total Col. (6)]

(Statewide Total Col. (6) is the weighted average formula experience ratio using the individual products of [Col. (1) x Col. (2)] as weights.)

COLUMN (8)
BASE CLASS
LOSS COST

Present ISO \$100,000 base class loss cost.

COLUMN (9)
INDICATED BASE
LOSS COST

Indicated base class loss cost for a particular territory. It is calculated by applying the product of the statewide loss cost level change and the territory index [Col. (7)] to the present ISO loss cost.

COLUMN (10)
REVISED BASE
LOSS COST

Revised \$100,000 base loss cost.

COLUMN (11)
ADVISORY
LOSS COST
CHANGE

Percentage change from the present \$100,000 base loss cost to the revised \$100,000 base loss cost.

EXPLANATORY MEMORANDUM FOR TRUCKS, TRACTORS & TRAILERS AND
PRIVATE PASSENGER TYPES
PHYSICAL DAMAGE TERRITORY DEVELOPMENT

COLUMN (1) EARNED CAR YEARS	Number of car-years, or exposures, earned in the latest year. These exposures are used to calculate the weighted averages through the analysis. (For calculating the weighted average of the Experience Ratio in Col (4) and the Formula Experience Ratio in Col (6) the product of [Col(1) x Col(2)] are used as weights).
COLUMN (2) UNDERLYING LOSS COST	Average loss cost at current level (earned aggregate loss cost at current level divided by exposures) is based on the latest accident year experience available and reflects the present ISO manual loss cost trended to a prospective OCN level by the application of OCN factors.
COLUMN (3) 5 YEAR ENDED EXPERIENCE LOSS COST	Loss cost based on the latest 5 years of experience (for purposes of stability). The loss cost is trended and include all loss adjustment expenses.
COLUMN (4) EXPERIENCE RATIO LOSS COST	For each coverage, an experience ratio by territory is derived by dividing the 5 year experience loss cost by the average loss cost at present ISO manual level. [Col. (3) / Col. (2)]
COLUMN (5) CREDIBILITY	The experience ratio thus calculated is assigned a credibility value on the basis of the number of claims underlying the 5 year pure premium (See Section C for credibility standards). The complement of the credibility is assigned to the statewide experience ratio which appears in Col. (4).
COLUMN (6) FORMULA EXPERIENCE RATIO	<p>The formula experience ratio is a credibility weighted average of the territory group experience ratio and statewide experience ratio. The formula is as follows:</p> $\begin{aligned} &[\text{Terr. Group Col. (4)} \times \text{Terr. Group Col. (5)}] \\ &+ [\text{SW Total Col. (4)} \times (1.0 - \text{Terr. Group Col. (5)})] \end{aligned}$

COLUMN (7)
INDEX TO
STATE

Territory indices to state are calculated by dividing the territory formula experience ratio by the statewide average formula experience ratio

$$[\text{Terr. Col (6)} / \text{SW Total Col. (6)}]$$

(Statewide Total Col. (6) is the weighted average formula experience ratio using the individual products of [Col. (1) x Col. (2)] as weights.)

COLUMN (8)
BASE CLASS
LOSS COST

Present ISO base class loss cost.

COLUMN (9)
INDICATED BASE
LOSS COST

Indicated base class loss cost for a particular territory. It is calculated by applying the product of the statewide loss cost level change and the territory index [Col. (7)] to the present ISO loss cost.

COLUMN (10)
REVISED BASE
LOSS COST

Revised base loss cost.

COLUMN (11)
ADVISORY
LOSS COST
CHANGE

Percentage change:
[Col. (10) / Col. (8)]

LOSS ADJUSTMENT EXPENSE FACTORS

OBJECTIVE	The reported indemnity losses must be loaded for any loss adjustment expenses (LAE) that are not reported in statistical detail to ISO.
LIABILITY COVERAGES	For the liability coverages, allocated loss adjustment expenses are reported in detail to ISO under the Commercial Statistical Plan. Unallocated loss adjustment expenses must be loaded into the losses. A factor representing the ratio of the sum of the incurred indemnity losses plus all LAE to the sum of the incurred indemnity losses plus allocated LAE was selected based on multistate financial data from a Special Call Submission for available writers.
PHYSICAL DAMAGE COVERAGES	For the physical damage coverages, accident year paid indemnity losses are reported. All loss adjustment expenses must be loaded into the reported losses. A factor representing the ratio of incurred losses plus all LAE to incurred losses was selected based on multistate financial data from the Insurance Expense Exhibits for agency and direct writers.

AVERAGE ANNUAL CHANGE IN LOSSES (LOSS TREND)

OBJECTIVE	The application of the average annual change in losses to historical data recognizes that advisory loss costs are being made for use in a future period based on historical experience. Due to economic and social factors, claim cost and frequency levels continue to change from those underlying the historical data.
DETERMINATION OF HISTORICAL AVERAGE CLAIM COST TREND	To determine the historical average claim cost trend, ISO makes use of the Least Squares Method fitted to the reported time series data; specifically, an exponential curve represented by the equation $Y=A(B^X)$ is fitted to the paid claim cost data. The parameters A and B are calculated by regressing Y, which is the applicable claim cost on X, which is the unit of time. The resulting fitted curve allows the determination of a historical average trend for the data under review.
LIABILITY LOSS TREND	The historical average annual change in claim costs for both Bodily Injury and Property Damage coverages are measured in this document using a credibility-weighted mix of multistate and statewide data. Prospective average annual changes for claim frequency have been selected based on the historical multistate data, as well as other relevant factors. Combining the state credibility-weighted claim cost trends with the selected claim frequency trends results in the selected Bodily Injury and Property Damage pure premium trend used to adjust the losses to a prospective level.
TREND CREDIBILITY FOR LIABILITY CLAIM SEVERITY	<p>Trend credibility is based on a full credibility standard of 975,000 claims for BI and 390,000 claims for PD. These standards were developed using a Bayesian analysis. Partial credibility is determined by the following formula:</p> $A = C/(C+K)$ <p>where C equals the number of claims for the latest year ended point and K equals 25,000 for bodily injury and 10,000 for property damage. The resulting table of partial credibilities is shown in this section.</p>

LIABILITY:
FREQUENCY
TREND

The data underlying the claim frequency trend selections is shown on the attached claim frequency exhibits. The exhibits include quarterly points for Multistate incurred frequency trend separately for Trucks, Tractors, and Trailers and Private Passenger Types. As can be seen from these exhibits (and corresponding graphs), frequency for both bodily injury and property damage has generally changed from year to year in an unpredictable manner.

Historically, frequency trends for Commercial Auto liability have been quite variable, have differed between Trucks, Tractors, and Trailers (TTT) and Private Passenger Types (PPT) liability classes, and have often displayed cyclical patterns. As a result, an exponential curve of the form $Y=A(B^X)$ does not fit the data well over the long term. To reflect these characteristics and the difficulty in predicting turning points and rates of change, frequency trend is being selected to be 0% for TTT and PPT for both the Bodily Injury and Property Damage coverages.

PHYSICAL
DAMAGE:
LOSS TREND

Data Selections

- In our Physical Damage Trend review, we try to include as much data as possible for each deductible level that we analyze. With this goal in mind, for a given deductible level, we include all losses written at or below that deductible level. For example, consider an event causing \$1,500 of damage on a policy written with a \$250 deductible. This would be reported as a \$1,250 loss. In order to include as much data as possible in our review, we would generate 3 different records for this loss, one at each deductible that we analyze:

At \$250 deductible: \$1,250 loss

At \$500 deductible: \$1,000 loss

At \$1,000 deductible: \$500 loss

Each of these deductible levels is analyzed independently of the other levels, so that there are no instances of double-counting loss records.

- Wind and Water losses are removed from our Other Than Collision trend reviews due to the high variability of these types of losses from year to year.

Data Adjustments

In our Physical Damage trend review, we employ two adjustments to the data with the objective of diminishing distortions in the trend that we do not wish to measure. Our goal is to only measure inflationary effects.

1) All losses are divided by the appropriate class plan and age factors that correspond to that record in order to diminish the effect that variations in these factors from one year to the next have on the trend calculation.

PHYSICAL
DAMAGE:
LOSS TREND
(CONT'D)

For example, consider 12 Truck exposures reported with Age Code 1 (current model year, age factor of 1.00). Each exposure experiences a loss of \$500. The average severity of the losses for these 12 exposures is \$500.

Now consider these 12 exposures 5 years in the future. The exposures are now reported with Age Code A (6th preceding model year, age factor of 0.80). Assume that there is 10% inflation per year on all severities. Also assume that each of these 12 exposures experience the same amount of damage as they did 5 years ago. The average severity of the losses for these 12 exposures is now \$644 (taking into account both inflation and the older age of the vehicles).

If we analyze the severity trend without dividing each loss by its corresponding age factor, we get an annual trend of $(\$644/\$500)^{1/5} - 1 = 5.2\%$

If we first divide each loss by its corresponding age factor, we get an annual trend of $((\$644/0.80) / (\$500/1.00))^{1/5} - 1 = 10.0\%$

The first calculated severity is not equal to the assumed inflation because the calculation includes the decrease in average severity caused by aging of the vehicles. By dividing each loss record by its corresponding class plan and age factors, we remove distortions on the severity trend caused by the change in the distribution of classes and ages from one year to the next.

2) All Other Than Collision losses are adjusted to correct for the distortion on trend results created by a change in the distribution of types of loss from one year to the next. The Other Than Collision severity is a weighted-average of the severities for each type of loss (glass, fire, theft, etc.). Since each type of loss has a different severity (for example, glass losses have a much smaller severity than other types of loss), then variations in the distribution of types of loss may lead to changes in the severity that we do not want to measure (if one year 5% of losses are glass losses, and the next year 30% of losses are glass losses, we would expect the average severity of all Other Than Collision losses to decrease). To correct this, we calculate the proportion of losses for each type of loss averaged over all years in the experience period.

Consider the following example, where an adjustment is NOT made to the data. Assume 10% annual inflation for all losses:

	Year 1		Year 2	
Type of Loss	Glass	Fire	Glass	Fire
Claims	10	3	15	5
Severity of Each Loss	\$50	\$1,000	\$55	\$1,100
Total Losses	\$500	\$3,000	\$825	\$5,500

Average severity of losses in Year 1 is $(\$500 + \$3,000) / 13 \text{ claims} = \269

Average severity of losses in Year 2 is $(\$825 + \$5,500) / 20 \text{ claims} = \316.25

Average Severity trend = $(\$316.25/\$269) - 1 = 17.6\%$

PHYSICAL
DAMAGE:
LOSS TREND
(CONT'D)

Now consider the same scenario, where an adjustment IS made to the data:

	Year 1		Year 2	
Type of Loss	Glass	Fire	Glass	Fire
Claims	10	3	15	5
Percentage of Total Claims	10/13 = 77%	3/13 = 23%	15/20 = 75%	5/20 = 25%

Average Percentage of Claims for Glass losses: $(77\% + 75\%) / 2 = 76\%$

Average Percentage of Claims for Fire losses: $(23\% + 25\%) / 2 = 24\%$

The number of claims for each type of loss for each year is replaced by these averages:

	Year 1		Year 2	
Type of Loss	Glass	Fire	Glass	Fire
Claims	76% x 13 = 9.88	24% x 13 = 3.12	76% x 20 = 15.2	24% x 20 = 4.8
Severity of Each Loss	\$50	\$1,000	\$55	\$1,100
Total Losses	\$494	\$3,120	\$836	\$5,280

Average severity of losses in Year 1 is $(\$494 + \$3,120) / 13 \text{ claims} = \278

Average severity of losses in Year 2 is $(\$836 + \$5,280) / 20 \text{ claims} = \305.80

Average Severity trend = $(\$305.80 / \$278) - 1 = 10.0\%$

Note that the total number of claims each year remains unchanged from the total before the adjustment is made.

Year 1 claims = $9.88 + 3.12 = 13 \text{ claims}$

Year 2 claims = $15.2 + 4.8 = 20 \text{ claims}$

Although new claims totals by type of loss are used in the calculation, the impact of the adjustment is to change only the loss totals, so frequency figures are not changed. The result is equivalent to a re-weighting of the severities so that each type of loss has a consistent weight from year to year.

By keeping each type of loss' proportion of total claims constant from year to year, we remove distortions in the trend caused by changes in the distribution of types of loss.

PHYSICAL
DAMAGE:
LOSS TREND
(CONT'D)

For the OTC coverages, there is a change to how glass losses are handled when shifting from one deductible to another. ISO collects a coverage code indicating if the deductible is waived for glass losses or not ("full glass" and "non-full glass", respectively). However some insurers waive deductibles on glass losses even when the policy isn't a "full glass" coverage policy. Recently we began to also collect a Type of Loss code indicating if a deductible has been waived for the particular claim. In situations where a claim is reported with a coverage code and Type of Loss code that aren't consistent on how a glass loss was handled, we previously used the coverage code to determine how we interpreted the loss amount. Now this scenario is handled based on the information in the new Type of Loss code.

The trend selections for physical damage are based on the data in the attached exhibits. Each exhibit includes the distribution of losses, by deductible, for the most recent year. We analyze frequency trend and severity trend separately, using data at the \$250, \$500, and \$1,000 deductibles for OTC, and at the \$500, \$1,000, and \$2,000 deductibles for Collision.

Historically, claim frequency (like liability claim frequency) had been variable from year to year, often cyclical. As a result, an exponential curve of the form $Y=A(B^x)$ did not fit the frequency data well. In the interest of long-term stability, we have selected 0.0% trend factors for frequency.

Based on this multistate experience and on the continued positive trends in the Consumer Price Index for Bodywork, ISO has selected the following annual trends:

	Trucks, Tractors & Trailers <u>Pure Premium</u>	Private Passenger Types <u>Pure Premium</u>
OTC:	+7.0%	+7.0%
COLL:	+4.5%	+4.5%

COMMERCIAL AUTOMOBILE PHYSICAL DAMAGE
SUPPLEMENTARY EXHIBIT

Quarterly Values <u>Ending</u>	Consumer Price Index for Bodywork	
	<u>Actual</u>	<u>Exponential Fit</u>
06/30/2015	2.804	2.795
09/30/2015	2.805	2.812
12/31/2015	2.831	2.830
03/31/2016	2.847	2.848
06/30/2016	2.866	2.866
09/30/2016	2.877	2.884
12/31/2016	2.913	2.903
03/31/2017	2.925	2.921
06/30/2017	2.942	2.940
09/30/2017	2.945	2.958
12/31/2017	2.966	2.977
03/31/2018	2.999	2.996
06/30/2018	3.016	3.015
09/30/2018	3.033	3.034
12/31/2018	3.061	3.053
03/31/2019	3.074	3.073
		Average
		Annual
		<u>Change</u>
16 Point Fit	<u>R-Squared</u>	
12 Point Fit		
	0.9941	2.6%
	0.9892	2.6%

PHYSICAL DAMAGE OCN TREND

OBJECTIVE

In Physical Damage for Trucks, Tractors & Trailers and Private Passenger Types, as new, higher-valued commercial automobiles are introduced, there is an increase in revenue due to the original cost new component of the rating procedure. In order to reflect the revenue impact of the higher-valued vehicles during the prospective period, ISO uses an OCN trend procedure. The effect of this procedure is to reduce the indicated loss costs for Trucks, Tractors & Trailers and Private Passenger Types physical damage coverages.

DESCRIPTION OF ORIGINAL COST NEW DATA

The average original cost new (OCN) relativities for Comprehensive and Collision are displayed on the following exhibits. The data is displayed by coverage. To determine the historical average trend for OCN, ISO makes use of the Least Squares Method to fit a curve to the reported time series data. Specifically, an exponential curve represented by the equation

$$Y = A(B^X)$$

is fitted to the average OCN relativities. Based on the results of these curves, ISO has selected annual OCN trends of 1.0% and 1.5% for Trucks, Tractors & Trailers OTC and Collision coverages respectively. This trend is necessary to reflect the additional revenue generated by the shift in the OCN distribution as new, higher-priced automobiles are introduced.

For Private Passenger Types, OCN trends of 1.0% and 0.6% were selected for the OTC and Collision coverages respectively.

LOSS DEVELOPMENT FOR LIABILITY

OBJECTIVE	The application of loss development recognizes the important concept that some of the losses for a particular accident year have not been finally determined at the time the experience is compiled.
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DESCRIPTION OF EXPERIENCE PERIOD DATA	<p>For Trucks, Tractors & Trailers and Private Passenger Types Liability, the incurred losses and allocated loss adjustment expenses underlying the statewide loss cost level indications are on an accident year basis and were evaluated as of September 30, 2018. In other words, accident year ended June 30, 2018 includes all losses and allocated loss adjustment expenses paid through September 30, 2018 on accidents occurring from July 1, 2017 to June 30, 2018 and all losses and allocated loss adjustment expenses outstanding on these accidents as of September 30, 2018, 15 months after the inception of the accident year. Similarly, the incurred losses and allocated loss adjustment expenses for accident year ended June 30, 2017 include all loss and loss adjustment expenses paid through September 30, 2018 on accidents occurring from July 1, 2016 to June 30, 2017 and all losses and allocated loss adjustment expenses outstanding on these accidents as of September 30, 2018, 27 months after the inception of the accident year. The immature experience reported as of 15 or as of 27 months must be adjusted to a mature or ultimate settlement basis through the use of a loss development factor.</p>
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DESCRIPTION OF LOSS DEVELOPMENT METHODOLOGY	<p>For Bodily Injury Coverage, states are divided into two multistate groups. One group (No-Fault) consists of states with a no-fault law that has a tort threshold. The other group (Tort) contains the remaining states. The applicable multistate group for this state is used in this document. Losses are developed up to 123 months and are based on \$100,000 CSL data. Three-year averages for Trucks, Tractors & Trailers and Private Passenger Types are calculated for each link ratio based on a "best three of five" approach. Specifically, for the latest five years, the highest and lowest ratios were removed from the calculation and the three year average was calculated using the three remaining factors. Beyond 123 months the loss development is assumed to be unity.</p>
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For Property Damage Coverage, one multistate group is used. Losses are developed up to 111 months and \$100,000 CSL data is used. Three-year averages for Trucks, Tractors & Trailers and Private Passenger Types are calculated for each link ratio based on a "best three of five" years approach. Specifically, for the latest five years, the highest and lowest ratios were removed from the calculation and the three year average was calculated using the three remaining factors. Development beyond 111 months is assumed to be unity.

STATE
CREDIBILITY
WEIGHTED
FACTORS

For Trucks, Tractors & Trailers and Private Passenger Types, statewide loss development factors are credibility weighted with multistate factors. A Bayesian credibility study was done on state 15 to 27 months and 27 to 39 months loss development factors. The study concluded that there is significant statewide variation for bodily injury through 39 months and for property damage through 27 months. For these link ratios, statewide credibility is determined by the formula $Z = L/(L+K)$, where Z is the credibility, and L is the 3-year total losses for the particular state (at the earliest of the two evaluations). The complement of credibility is assigned to multistate loss development factors. K is a constant that varies by coverage as follows:

Trucks, Tractors & Trailers

	<u>15 to 27</u>	<u>27 to 39</u>
Bodily Injury (tort)	\$ 2,500,000	\$ 11,000,000
Bodily Injury (no-fault)	900,000	3,000,000
Property Damage	1,500,000	-

Private Passenger Types

	<u>15 to 27</u>	<u>27 to 39</u>
Bodily Injury (tort)	\$ 1,500,000	\$ 4,000,000
Bodily Injury (no-fault)	700,000	1,700,000
Property Damage	600,000	-

TRUCKS,
TRACTORS &
TRAILERS AND
PRIVATE
PASSENGER
TYPES

For Trucks, Tractors & Trailers and Private Passenger Types, Bodily Injury loss development factors to ultimate are calculated by accumulating the statewide credibility-weighted 15 to 27 month factor and 27 to 39 month factor, and the multistate average 39 to ultimate factor.

For the property damage coverage, loss development factors to ultimate are calculated by accumulating the statewide credibility-weighted 15-27 month factor and the multistate average 27 to ultimate factor.

LOSS DEVELOPMENT FOR PHYSICAL DAMAGE

OBJECTIVE	The application of loss development recognizes the important concept that some of the losses for a particular accident year have not been finally determined at the time the experience is compiled.
DESCRIPTION OF EXPERIENCE PERIOD DATA	For Physical Damage, paid losses underlying the statewide loss cost level indications are on an accident year basis and were evaluated as of September 30, 2018. In other words, accident year ended June 30, 2018 includes all losses paid through September 30, 2018 on accidents occurring from July 1, 2017 to June 30, 2018. Similarly, the paid losses for accident year ended June 30, 2017 include all losses paid through September 30, 2018 on accidents occurring from July 1, 2016 to June 30, 2017. The immature paid loss experience reported as of 15 or as of 27 months must be adjusted to a mature or ultimate settlement basis through the use of a loss development factor.
DESCRIPTION OF LOSS DEVELOPMENT METHODOLOGY	For Collision and Other Than Collision coverages, one multistate group is used. Losses are developed to an ultimate settlement basis. Three-year averages are calculated for each age-to-age link ratio. These link ratios are accumulated to develop losses to 123 months. Development beyond 123 months is assumed to be 1.000.

CREDIBILITY PROCEDURE FOR EXPERIENCE LOSS RATIO

OBJECTIVE	<p>The extent to which the state experience is reflected in the development of the prospective loss costs is determined by the credibility of the data for that state. Specifically, ISO credibility procedures are based upon the volume of claims for each coverage separately.</p>
METHODOLOGY	<p>The standards for full credibility were determined from a credibility study using various size of loss distributions for liability, other than collision and collision respectively. Separate standards by coverage/major class for full credibility were calculated using the Mayerson, Jones and Bowers expansion formula.</p>
CREDIBILITY FOR EXPERIENCE LOSS RATIO	<p>The assignment of credibility to the experience loss ratio is based on the total number of claims for the years used. For liability, the claims are based on BI and PD claims combined. For physical damage, credibility is determined separately for OTC and Collision. Partial credibility (Z), as used for the experience loss ratio, is determined using the square root rule as follows:</p> $Z = \sqrt{\frac{\text{Claims}}{X}}$ <p>Where X equals the full credibility standard, by line and coverage, as shown on the following pages of this section.</p>
YEAR WEIGHTS	<p>The weights assigned to the loss ratio by year are based on the credibility of the average number of claims for the years of experience used. A maximum of five years of experience may be used. This procedure is described in detail in the flow chart on the following page. The claim standard used to determine the year weights is based on the credibility standard for each coverage. The schedules of the number of claims required for the year weight assignments are shown on the following pages.</p>

COMMERCIAL AUTOMOBILE LIABILITY
FLOWCHART TO DETERMINE
YEAR WEIGHTS AND
EXPERIENCE PERIOD CREDIBILITY

Step 1: Determine Number of Years to be used and Year Weights

1. Add latest 2 years of claims and divide by 2 to determine the 2 year average.
2. If 2 year Avg. claims \geq 11,500,
Then use 2 years of experience and assign 70/30 weights.
3. Add latest 3 years of claims and divide by 3 to determine the 3 year average.
4. If 3 year Avg. claims \geq 1,380,
Then use 3 years of experience and assign 50/30/20 weights.
5. If 3 year Avg. claims $<$ 1,380,
Then use 5 years of experience and assign 30/25/20/15/10 weights.

Step 2: Determine the Experience Period Credibility

Calculate partial credibility based on the total number of claims for the number of years used in the review as determined from Step 1.

COMMERCIAL AUTOMOBILE PHYSICAL DAMAGE
FLOWCHART TO DETERMINE
YEAR WEIGHTS AND
EXPERIENCE PERIOD CREDIBILITY

Step 1: Determine Number of Years to be used and Year Weights

1. Add latest 2 years of claims and divide by 2 to determine the 2 year average.
2. If 2 year Avg. claims \geq Full Standard,
Then use 2 years of experience and assign 70/30 weights.
3. Add latest 3 years of claims and divide by 3 to determine the 3 year average.
4. If 3 year Avg. claims \geq Intermediate Threshold,
Then use 3 years of experience and assign 50/30/20 weights.
5. If 3 year Avg. claims $<$ Intermediate Threshold,
Then use 5 years of experience and assign 30/25/20/15/10 weights.

Step 2: Determine the Experience Period Credibility

Calculate partial credibility based on the total number of claims for the number of years used in the review as determined from Step 1.

<u>Coverage</u>	<u>Intermediate Threshold</u>	<u>Full Standard</u>
Trucks, Tractors & Trailers OTC	1,350	11,000
Trucks, Tractors & Trailers Collision	550	4,500
Private Passenger Types OTC	1,050	8,500
Private Passenger Types Collision	450	3,500

Tables For Use With Trend Data

Bodily Injury				Property Damage			
<u>Number of Claims</u>			<u>Cred.</u>	<u>Number of Claims</u>			<u>Cred.</u>
0	-	641	0.00	0	-	256	0.00
642	-	2027	0.05	257	-	810	0.05
2028	-	3571	0.10	811	-	1428	0.10
3572	-	5303	0.15	1429	-	2121	0.15
5304	-	7258	0.20	2122	-	2903	0.20
7259	-	9482	0.25	2904	-	3793	0.25
9483	-	12037	0.30	3794	-	4814	0.30
12038	-	14999	0.35	4815	-	5999	0.35
15000	-	18478	0.40	6000	-	7391	0.40
18479	-	22619	0.45	7392	-	9047	0.45
22620	-	27631	0.50	9048	-	11052	0.50
27632	-	33823	0.55	11053	-	13529	0.55
33824	-	41666	0.60	13530	-	16666	0.60
41667	-	51923	0.65	16667	-	20769	0.65
51924	-	65909	0.70	20770	-	26363	0.70
65910	-	86111	0.75	26364	-	34444	0.75
86112	-	117857	0.80	34445	-	47142	0.80
117858	-	174999	0.85	47143	-	69999	0.85
175000	-	308333	0.90	70000	-	123333	0.90
308334	-	974999	0.95	123334	-	389999	0.95
975000	-	and over	1.00	390000	-	and over	1.00

K = 25,000

K = 10,000

$$\text{CREDIBILITY FORMULA} = (\# \text{ CLAIMS}) / (\# \text{ CLAIMS} + K)$$

ALL LIABILITY COVERAGES
CREDIBILITY TABLE
NUMBER OF CLAIMS

<u>Credibility</u>			
0.00*	0	-	28
0.05	29	-	114
0.10	115	-	258
0.15	259	-	459
0.20	460	-	718
0.25	719	-	1,034
0.30	1035	-	1,408
0.35	1,409	-	1,839
0.40	1,840	-	2,328
0.45	2,329	-	2,874
0.50	2,875	-	3,478
0.55	3,479	-	4,139
0.60	4,140	-	4,858
0.65	4,859	-	5,634
0.70	5,635	-	6,468
0.75	6,469	-	7,359
0.80	7,360	-	8,308
0.85	8,309	-	9,314
0.90	9,315	-	10,378
0.95	10,379	-	11,499
1.00		>	11,499

The credibility for the loss cost level ratio is determined by the total number of claims for the total number of years of experience used in the review.

*The credibility underlying the calculation of the statewide indication is subject to a minimum of 5% given that there is at least one claim in the experience period.

PHYSICAL DAMAGE
CREDIBILITY TABLES
NUMBER OF CLAIMS

OTHER THAN COLLISION

<u>Cred</u>	<u>Trucks, Tractors & Trailers</u>			<u>Private Passenger Types</u>		
0.00*	0	-	27	0	-	21
0.05	28	-	109	22	-	84
0.10	110	-	247	85	-	191
0.15	248	-	439	192	-	339
0.20	440	-	687	340	-	531
0.25	688	-	989	532	-	764
0.30	990	-	1,347	765	-	1,041
0.35	1,348	-	1,759	1,042	-	1,359
0.40	1,760	-	2,227	1,360	-	1,721
0.45	2,228	-	2,749	1,722	-	2,124
0.50	2,750	-	3,327	2,125	-	2,571
0.55	3,328	-	3,959	2,572	-	3,059
0.60	3,960	-	4,647	3,060	-	3,591
0.65	4,648	-	5,389	3,592	-	4,164
0.70	5,390	-	6,187	4,165	-	4,781
0.75	6,188	-	7,039	4,782	-	5,439
0.80	7,040	-	7,947	5,440	-	6,141
0.85	7,948	-	8,909	6,142	-	6,884
0.90	8,910	-	9,927	6,885	-	7,671
0.95	9,928	-	10,999	7,672	-	8,499
1.00		>	10,999		>	8,499

COLLISION

<u>Cred</u>	<u>Trucks, Tractors & Trailers</u>			<u>Private Passenger Types</u>		
0.00*	0	-	11	0	-	8
0.05	12	-	44	9	-	34
0.10	45	-	101	35	-	78
0.15	102	-	179	79	-	139
0.20	180	-	281	140	-	218
0.25	282	-	404	219	-	314
0.30	405	-	551	315	-	428
0.35	552	-	719	429	-	559
0.40	720	-	911	560	-	708
0.45	912	-	1,124	709	-	874
0.50	1,125	-	1,361	875	-	1,058
0.55	1,362	-	1,619	1,059	-	1,259
0.60	1,620	-	1,901	1,260	-	1,478
0.65	1,902	-	2,204	1,479	-	1,714
0.70	2,205	-	2,531	1,715	-	1,968
0.75	2,532	-	2,879	1,969	-	2,239
0.80	2,880	-	3,251	2,240	-	2,528
0.85	3,252	-	3,644	2,529	-	2,834
0.90	3,645	-	4,061	2,835	-	3,158
0.95	4,062	-	4,499	3,159	-	3,499
1.00		>	4,499		>	3,499

The credibility for loss cost level ratio is determined by the total number of claims for the total number of years of experience used in the review.

*The credibility underlying the calculation of the statewide indication is subject to a minimum of 5% given that there is at least one claim in the experience period.

VERMONT
CLAIMS PER TERRITORY
LIABILITY

Territory	Trucks, Tractors & Trailers	Private Passenger Types
	Incurred Claims 5 Years Ending 06/30/2018 Combined BI and PD	Incurred Claims 5 Years Ending 06/30/2018 Combined BI and PD
101	123	15
102	317	80
120	849	118
121	167	50
122	151	23
123	1,097	198
SW Total	2,704	484

Claims for Trend

BI

PD

97

654

VERMONT
CLAIMS PER TERRITORY
PHYSICAL DAMAGE

Territory	Trucks, Tractors & Trailers Paid Claims 5 Years Ending 06/30/2018		Private Passenger Types Paid Claims 5 Years Ending 06/30/2018	
	OTC	Coll	OTC	Coll
101	77	83	26	26
102	125	162	86	103
120	598	441	167	125
121	94	86	49	53
122	110	99	47	26
123	787	729	275	204
SW Total	1,791	1,600	650	537

WIND AND WATER PROCEDURE
OTHER THAN COLLISION

OBJECTIVE

Other Than Collision losses which result from the perils of Wind and Water are relatively infrequent and do not affect each year similarly. While catastrophic incidents are rare, their impact on loss cost indications can be significant. The occurrence of a weather related catastrophe can result in a large positive indication, followed by an indicated decrease when the catastrophe leaves the experience period in subsequent reviews. This ultimately leads to loss cost instability.

In order to address this ratemaking problem, the Wind and Water procedure removes the Wind and Water losses that actually occur in a given year and replaces them with an expected Wind and Water provision, based on the state's long term history of Wind and Water losses. Due to the lower credibility of catastrophic loss experience, a longer experience period or a larger body of data is necessary to compensate.

DESCRIPTION OF
WIND AND WATER
ADJUSTMENT
PROCEDURE

The Wind and Water procedure begins by comparing Wind and Water losses to non-Wind and Water losses for each year in the long term review period. Wind and Water losses have been separately identified as losses reported under the Commercial Statistical Plan (CSP) using Type of Loss (TOL) codes 06 and 07. A ratio of Wind and Water to non-Wind and Water losses is calculated for each year.

The long term 'normal' Wind and Water to non-Wind and Water ratio is determined by calculating the average of the Wind and Water to non-Wind and Water ratios for all years for which data is currently available.

The variation from the long term normal Wind and Water to non-Wind and Water ratio is then determined by calculating the difference between the normal ratio and the Wind and Water ratio for each year.

The loss adjustment required in order to bring each year of experience to a normal Wind and Water level is determined by applying the variation factor (column (5)) to the reported non-Wind and Water losses (column (3)).

The major steps of the procedure are shown in the Exhibits on the following pages.

INSURANCE SERVICES OFFICE, INC.

WIND AND WATER PROCEDURE
OTHER THAN COLLISION
VERMONT

TRUCKS, TRACTORS, AND TRAILERS

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
			(2) - (1)	(1) / (3)	AVG (4) - (4)	(3) x (5)	(2) + (6)
YEAR ENDING	OTC WIND & WATER LOSSES	OTC TOTAL LOSSES	TOTAL - WIND&WATER LOSSES	WIND & WATER / NON (W&W)	VARIATION FROM AVG. WIND RATIO	WIND & WATER ADJUSTMENT	ADJ OTC TOTAL LOSSES
1987	3,078	414,682	411,604	0.007	0.067	27,577	442,259
1988	4,177	420,232	416,055	0.010	0.064	26,628	446,860
1989	4,234	536,012	531,778	0.008	0.066	35,097	571,109
1990	2,321	590,718	588,397	0.004	0.070	41,188	631,906
1991	13,103	660,456	647,353	0.020	0.054	34,957	695,413
1992	17,507	554,738	537,231	0.033	0.041	22,026	576,764
1993	8,240	583,855	575,615	0.014	0.060	34,537	618,392
1994	6,508	579,172	572,664	0.011	0.063	36,078	615,250
1995	3,646	647,509	643,863	0.006	0.068	43,783	691,292
1996	13,399	924,768	911,369	0.015	0.059	53,771	978,539
1997	8,729	973,594	964,865	0.009	0.065	62,716	1,036,310
1998	69,087	1,414,664	1,345,577	0.051	0.023	30,948	1,445,612
1999	29,023	1,259,065	1,230,042	0.024	0.050	61,502	1,320,567
2000	34,845	1,717,998	1,683,153	0.021	0.053	89,207	1,807,205
2001	10,195	1,599,224	1,589,029	0.006	0.068	108,054	1,707,278
2002	85,815	1,352,503	1,266,688	0.068	0.006	7,600	1,360,103
2003	2,552	1,182,418	1,179,866	0.002	0.072	84,950	1,267,368
2004	26,073	576,450	550,377	0.047	0.027	14,860	591,310
2005	61,447	856,196	794,749	0.077	-0.003	-2,384	853,812
2006	39,612	773,857	734,245	0.054	0.020	14,685	788,542
2007	50,495	641,878	591,383	0.085	-0.011	-6,505	635,373
2008	57,088	609,917	552,829	0.103	-0.029	-16,032	593,885
2009	43,361	537,493	494,132	0.088	-0.014	-6,918	530,575
2010	112,672	680,622	567,950	0.198	-0.124	-70,426	610,196
2011	123,890	813,616	689,726	0.180	-0.106	-73,111	740,505
2012	227,585	906,203	678,618	0.335	-0.261	-177,119	729,084
2013	33,057	720,837	687,780	0.048	0.026	17,882	738,719
2014	274,012	977,496	703,484	0.390	-0.316	-222,301	755,195
2015	107,232	613,198	505,966	0.212	-0.138	-69,823	543,375
2016	32,569	588,939	556,370	0.059	0.015	8,346	597,285
2017	50,900	889,769	838,869	0.061	0.013	10,905	900,674
2018	83,296	750,526	667,230	0.125	-0.051	-34,029	716,497

(8) NORMAL WIND TO NON W&W RATIO= AVG. (4) 0.074

INSURANCE SERVICES OFFICE, INC.

WIND AND WATER PROCEDURE
OTHER THAN COLLISION
VERMONT

PRIVATE PASSENGER TYPES

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
			(2) - (1)	(1) / (3)	AVG (4) - (4)	(3) x (5)	(2) + (6)
YEAR ENDING	OTC WIND & WATER LOSSES	OTC TOTAL LOSSES	TOTAL - WIND&WATER LOSSES	WIND & WATER / NON (W&W)	VARIATION FROM AVG. WIND RATIO	WIND & WATER ADJUSTMENT	ADJ OTC TOTAL LOSSES
1987	3,240	234,486	231,246	0.014	0.094	21,737	256,223
1988	581	159,454	158,873	0.004	0.104	16,523	175,977
1989	100	245,467	245,367	0.000	0.108	26,500	271,967
1990	592	288,451	287,859	0.002	0.106	30,513	318,964
1991	3,348	285,432	282,084	0.012	0.096	27,080	312,512
1992	12,921	258,596	245,675	0.053	0.055	13,512	272,108
1993	10,204	194,063	183,859	0.055	0.053	9,745	203,808
1994	3,856	198,639	194,783	0.020	0.088	17,141	215,780
1995	510	192,486	191,976	0.003	0.105	20,157	212,643
1996	5,662	302,907	297,245	0.019	0.089	26,455	329,362
1997	4,614	256,499	251,885	0.018	0.090	22,670	279,169
1998	9,843	351,237	341,394	0.029	0.079	26,970	378,207
1999	13,060	341,564	328,504	0.040	0.068	22,338	363,902
2000	3,586	336,967	333,381	0.011	0.097	32,338	369,305
2001	1,050	385,076	384,026	0.003	0.105	40,323	425,399
2002	37,853	334,555	296,702	0.128	-0.020	-5,934	328,621
2003	0	240,937	240,937	0.000	0.108	26,021	266,958
2004	481	227,300	226,819	0.002	0.106	24,043	251,343
2005	40,811	253,114	212,303	0.192	-0.084	-17,833	235,281
2006	26,456	224,158	197,702	0.134	-0.026	-5,140	219,018
2007	3,539	185,997	182,458	0.019	0.089	16,239	202,236
2008	16,673	184,298	167,625	0.099	0.009	1,509	185,807
2009	6,897	159,316	152,419	0.045	0.063	9,602	168,918
2010	43,373	233,343	189,970	0.228	-0.120	-22,796	210,547
2011	61,144	214,731	153,587	0.398	-0.290	-44,540	170,191
2012	48,363	201,731	153,368	0.315	-0.207	-31,747	169,984
2013	1,776	107,453	105,677	0.017	0.091	9,617	117,070
2014	169,201	342,271	173,070	0.978	-0.870	-150,571	191,700
2015	67,598	222,256	154,658	0.437	-0.329	-50,882	171,374
2016	14,474	133,325	118,851	0.122	-0.014	-1,664	131,661
2017	5,264	203,400	198,136	0.027	0.081	16,049	219,449
2018	3,166	204,842	201,676	0.016	0.092	18,554	223,396

(8) NORMAL WIND TO NON W&W RATIO= AVG. (4) 0.108

EXPLANATORY MEMORANDUM FOR WIND AND WATER PROCEDURE

COLUMN (1) OTC WIND AND WATER LOSSES	Dollar amount of Other Than Collision losses resulting from the perils of Wind and Water (Type of Loss Codes 06 & 07).
COLUMN (2) OTC TOTAL LOSSES	Dollar amount of Other Than Collision losses resulting from all perils.
COLUMN (3) OTC LOSSES OTHER THAN WIND AND WATER	Dollar amount of Other Than Collision losses resulting from all perils other than Wind and Water. $\text{Column (2)} - \text{Column (1)}$.
COLUMN (4) WIND AND WATER TO NON-WIND AND WATER RATIO	Ratio of Wind and Water losses to Non-Wind and Water losses. $\text{Column (1)} \div \text{Column (3)}$
COLUMN (5) VARIATION FROM AVERAGE WIND RATIO	Variation from the long term average Wind and Water to non-Wind and Water ratio. $\text{Avg (4)} - \text{Column (4)}$.
COLUMN (6) WIND AND WATER ADJUSTMENT	Wind and Water loss adjustment to bring experience to average Wind and Water level. $\text{Column (3)} * \text{Column (5)}$.
COLUMN (7) ADJUSTED OTC TOTAL LOSSES	$\text{Column (2)} + \text{Column (6)}$.

TERRITORIAL WIND AND WATER PROCEDURE OTHER THAN COLLISION

OBJECTIVE

The statewide Wind and Water procedure removes the actual Wind and Water losses that occur in a given year and replaces them with an expected Wind and Water provision. The territorial excess Wind and Water procedure distributes the statewide expected Wind and Water loss provision to the individual territories in proportion to each territory's long-term Wind and Water loss experience.

DESCRIPTION OF TERRITORIAL WIND AND WATER PROCEDURE

The first step is to calculate long term Wind and Water to non-Wind and Water ratios by territory. The earliest year of historical Wind and Water experience available for Commercial Auto is 1987. As a new year becomes available, it is added to the procedure. For each year, the territorial ratios are calculated as Wind and Water losses divided by non-Wind and Water losses. An average is then taken of all the ratios for each territory to get the long term Wind and Water to non-Wind and Water ratio.

One potential problem with the average ratios is that a high Wind and Water ratio for one year can distort the average ratio for that territory. To mitigate the effect of unusually large ratios, the ratios are capped at 10 times the statewide median of the Wind and Water ratios before calculating the average. (The statewide median ratio is subject to a minimum value of 0.05.)

The territorial capped average Wind and Water ratios are multiplied by the latest 5 years non-Wind and Water losses for each territory to get the territorial expected Wind and Water losses. The territorial expected Wind and Water losses are divided by the statewide total expected Wind and Water losses to get the territorial expected Wind and Water distribution.

The statewide wind provision is calculated for each year from the statewide procedure by subtracting the non-Wind and Water losses from the total adjusted losses. The individual territorial Wind and Water provisions are then calculated by distributing the statewide wind provision to the territories based on the expected Wind and Water distribution.

Territorial adjusted total losses = territorial Wind and Water provision + territorial non-Wind and Water losses

Because the actual Wind and Water losses are replaced with an expected Wind and Water provision, the number of Wind and Water claims must be adjusted. The territorial Wind and Water provision is divided by the territory's average Wind and Water claim cost to produce the adjusted number of Wind and Water claims. The adjusted Wind and Water claims are added to the non-Wind and Water claims, resulting in the total adjusted claims.

A sample of the territory Wind and Water procedure is shown on the following page.

METHODOLOGY FOR CALCULATING 'WIND & WATER PROVISIONS' BY TERRITORY

In order to develop 'Wind and Water Provisions' by territory, the statewide provision is distributed using each territory's 'expected' wind and water losses. This procedure is illustrated in the following example:

Territory	(1) Long-Term Capped* Ratio of Wind & Water to Non-Wind & Water Losses	(2) Non-Wind & Water Losses for Latest Five Years	(3) 'Expected' Wind & Water Losses for Latest Five Years (1) x (2)	(4) 'Expected' Wind & Water Distribution (3) / Total (3)
A	.250	500,000	125,000	.500
B	.750	100,000	75,000	.300
C	.200	250,000	50,000	.200

Territory	(5) Statewide Wind Provision for Year 20XX **	(6) Territory Wind Provision for Year 20XX (4) x (5)	(7) Non-Wind & Water Losses for Year 20XX	(8) Adjusted Total Losses for Year 20XX (6) + (7)
A	100,000	50,000	150,000	200,000
B		30,000	50,000	80,000
C		20,000	80,000	100,000

Territory	(9) Non-Wind & Water Claims for Year 20XX	(10) Five-Year Average Wind & Water Claim Cost	(11) Adjusted Wind & Water Claims for Year 20XX (6) / (10)	(12) Total Adjusted Claims for Year 20XX (9) + (11)
A	200	500	100	300
B	100	400	75	175
C	150	400	50	200

* Average of yearly capped ratios of wind & water to non-wind & water losses, based on territory experience capped at 10 times the statewide median wind & water to non-wind & water ratio. The statewide median ratio is subject to a minimum value of 0.05.

** The Statewide Wind Provision for year 20XX = Total Adjusted Losses for Year 20XX - Non-Wind & Water Losses for Year 20XX

INSURANCE SERVICES OFFICE, INC.

VERMONT
COMMERCIAL AUTOMOBILE INSURANCESUMMARY OF PROSPECTIVE LOSS COST LEVEL CHANGES
STATEWIDE LOSS COST LEVEL CHANGES (A)

Coverages	Aggregate Loss Cost at Current Level (B)	Loss Cost Changes (C)
TRUCKS, TRACTORS & TRAILERS (D)		
Liability		
Single Limit Liability	\$ 6,101,033	5.6%
Physical Damage		
Other Than Collision	1,090,427	3.5%
Collision	2,874,906	3.1%
Combined	3,965,333	3.2%
Total Trucks, Tractors & Trailers	10,066,366	4.7%
PRIVATE PASSENGER TYPES		
Liability		
Single Limit Liability	1,042,854	3.8%
Physical Damage		
Other Than Collision	219,678	11.2%
Collision	575,640	N.C.
Combined	795,318	3.1%
Total Private Passenger Types	1,838,172	3.5%
GRAND TOTAL ALL COVERAGES	11,904,538	4.5%
TOTAL LIABILITY	7,143,887	5.3%
TOTAL PHYSICAL DAMAGE	4,760,651	3.2%

(A) An implementation date of 01/01/2020 is assumed for purposes of trending.

(B) Accident Year ending 06/30/2018 Aggregate Loss Cost at Current Level for all coverages. The Liability loss costs are on a Total Limits basis.

(C) Loss Cost changes are calculated on a \$100,000 CSL Basic Limits basis for Liability and on an all deductibles combined basis for Physical Damage.

(D) For Liability and Physical Damage, classes related to Trucks, Tractors & Trailers, such as the Public Automobile classes, are impacted by the Trucks, Tractors & Trailers loss cost level changes.

INSURANCE SERVICES OFFICE, INC.

VERMONT
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
TERRITORY LOSS COST LEVEL CHANGES

FOR TRUCKS, TRACTORS, AND TRAILERS POLICY COVERAGES

Territory	\$100,000 CSL	\$500
Code	Liability	Med Pay
101	15.5%	100.0%
102	3.5%	100.0%
120	1.8%	0.0%
121	5.6%	0.0%
122	1.5%	0.0%
123	9.4%	100.0%

INSURANCE SERVICES OFFICE, INC.

VERMONT
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
TERRITORY LOSS COST LEVEL CHANGES

FOR TRUCKS, TRACTORS, AND TRAILERS POLICY COVERAGES

Territory Code	Physical Damage		Specified Causes of Loss
	Comprehensive	Collision	
101	3.2%	5.5%	3.7%
102	6.6%	5.1%	6.8%
120	1.3%	-1.0%	2.2%
121	2.5%	8.8%	2.2%
122	4.3%	-1.0%	3.7%
123	4.4%	6.3%	5.8%

INSURANCE SERVICES OFFICE, INC.

VERMONT
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
REVISED BASE LOSS COSTS BY TERRITORY

FOR TRUCKS, TRACTORS, AND TRAILERS POLICY COVERAGES

Territory	Liability	\$500	Physical Damage		Specified Causes
Code	\$100,000 CSL	Med Pay (a)	Comprehensive (b)	Collision (c)	of Loss (d)
101	231	2	97	193	56
102	296	2	81	186	47
120	167	1	79	203	46
121	225	1	82	185	47
122	205	1	97	192	56
123	151	2	95	201	55

(a) The loss costs for medical payments have been calculated by multiplying a relativity by the Trucks, Tractors, and Trailers CSL Liability loss costs. The relativities differ by territory and are listed in [EXHIBIT C17](#).

(b) Comprehensive base loss cost is the \$15,001-20,000 OCN, age 1, \$500 deductible loss cost.

(c) Collision base loss cost is the \$15,001-20,000 OCN, age 1, \$500 deductible loss cost.

(d) The loss costs for Specified Causes of Loss have been calculated by a relativity of 0.576 to the Trucks, Tractors, and Trailers Comprehensive base loss costs.

INSURANCE SERVICES OFFICE, INC.

VERMONT
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
TERRITORY LOSS COST LEVEL CHANGES

FOR PRIVATE PASSENGER TYPES POLICY COVERAGES

Territory Code	\$100,000 CSL Liability	\$500 Med Pay
101	3.3%	0.0%
102	2.2%	0.0%
120	1.7%	0.0%
121	6.5%	0.0%
122	3.4%	0.0%
123	5.0%	0.0%

INSURANCE SERVICES OFFICE, INC.

VERMONT
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
TERRITORY LOSS COST LEVEL CHANGES

FOR PRIVATE PASSENGER TYPES POLICY COVERAGES

Territory Code	Physical Damage	
	Comprehensive	Collision (a)
101	10.7%	
102	6.2%	
120	12.7%	
121	8.5%	
122	8.1%	
123	12.8%	

(a) For Private Passenger Types Collision, No Change (N.C.) was selected due to the modest indication.

INSURANCE SERVICES OFFICE, INC.

VERMONT
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
REVISED BASE LOSS COSTS BY TERRITORY

FOR PRIVATE PASSENGER TYPES POLICY COVERAGES

Territory Code	Liability	\$500	Physical Damage	
	\$100,000 CSL	Med Pay (a)	Comprehensive (b)	Collision (c)
101	249	2	93	236
102	182	1	69	246
120	178	1	80	260
121	212	1	89	263
122	214	1	93	242
123	190	1	88	264

(a) The loss costs for medical payments have been calculated by multiplying a relativity by the Private Passenger Types CSL Liability loss costs. The relativities differ by territory and are listed in [EXHIBIT C17](#).

(b) Comprehensive base loss cost is the \$15,001-20,000 OCN, age 1, \$500 deductible loss cost.

(c) Collision base loss cost is the \$15,001-20,000 OCN, age 1, \$500 deductible loss cost.

INSURANCE SERVICES OFFICE, INC.

VERMONT
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
TERRITORY LOSS COST LEVEL CHANGES

FOR VAN POOLS POLICY COVERAGES

Territory	\$100,000 CSL	\$500
Code	Liability	Med Pay
101	15.7%	50.0%
102	3.5%	0.0%
120	2.0%	0.0%
121	5.6%	50.0%
122	1.7%	0.0%
123	9.7%	0.0%

INSURANCE SERVICES OFFICE, INC.

VERMONT
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
TERRITORY LOSS COST LEVEL CHANGES

FOR VAN POOLS POLICY COVERAGES

Territory Code	Physical Damage		Specified Causes of Loss
	Comprehensive	Collision	
101	3.1%	5.6%	3.6%
102	6.4%	4.9%	6.7%
120	1.3%	-0.8%	2.2%
121	2.4%	8.8%	2.1%
122	4.2%	-0.8%	3.6%
123	4.3%	6.3%	5.7%

INSURANCE SERVICES OFFICE, INC.

VERMONT
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
REVISED BASE LOSS COSTS BY TERRITORY

FOR VAN POOLS POLICY COVERAGES

Territory	Liability	\$500	Physical Damage		Specified Causes
Code	\$100,000 CSL (a)	Med Pay (b)	Comprehensive (c)	Collision (d)	of Loss (e)
101	347	3	99	245	57
102	444	3	83	236	48
120	251	2	81	258	47
121	338	3	84	235	48
122	308	2	99	244	57
123	227	2	97	255	56

- (a) The loss costs for Van Pools have been calculated by a relativity of 1.50 to the Trucks, Tractors, and Trailers CSL Liability loss costs.
- (b) The loss costs for medical payments have been calculated by multiplying a relativity by the Van Pools CSL liability loss costs. The relativities differ by territory and are listed in [EXHIBIT C17](#).
- (c) Comprehensive base loss cost is the \$15,001-20,000 OCN, age 1, \$500 deductible loss cost and has been calculated by a relativity of 1.02 to the Trucks, Tractors, and Trailers loss cost.
- (d) Collision base loss cost is the \$15,001-20,000 OCN, age 1, \$500 deductible loss cost, and has been calculated by a relativity of 1.27 to the Trucks, Tractors, and Trailers loss cost.
- (e) The loss costs for Specified Causes of Loss have been calculated by a relativity of 1.02 to the corresponding Trucks, Tractors, and Trailers loss cost.

INSURANCE SERVICES OFFICE, INC.

VERMONT
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
TERRITORY LOSS COST LEVEL CHANGES

FOR TAXIS AND LIMOUSINES POLICY COVERAGES

Territory Code	\$100,000 CSL Liability	\$500 Med Pay
101	15.5%	10.0%
102	3.5%	0.0%
120	1.8%	0.0%
121	5.6%	10.0%
122	1.5%	0.0%
123	9.3%	0.0%

INSURANCE SERVICES OFFICE, INC.

VERMONT
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
TERRITORY LOSS COST LEVEL CHANGES

FOR TAXIS AND LIMOUSINES POLICY COVERAGES

Territory Code	Physical Damage		Specified Causes of Loss
	Comprehensive	Collision	
101	3.1%	5.6%	3.6%
102	6.4%	4.9%	6.7%
120	1.3%	-0.8%	2.2%
121	2.4%	8.8%	2.1%
122	4.2%	-0.8%	3.6%
123	4.3%	6.3%	5.7%

INSURANCE SERVICES OFFICE, INC.

VERMONT
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
REVISED BASE LOSS COSTS BY TERRITORY

FOR TAXIS AND LIMOUSINES POLICY COVERAGES

Territory	Liability	\$500	Physical Damage		Specified Causes
Code	\$100,000 CSL (a)	Med Pay (b)	Comprehensive (c)	Collision (d)	of Loss (e)
101	1432	11	99	245	57
102	1835	14	83	236	48
120	1035	8	81	258	47
121	1395	11	84	235	48
122	1271	10	99	244	57
123	936	7	97	255	56

- (a) The loss costs for Taxis and Limousines have been calculated by a relativity of 6.20 to the Trucks, Tractors, and Trailers CSL Liability loss costs.
- (b) The loss costs for medical payments have been calculated by multiplying a relativity by the Taxis and Limousines CSL liability loss costs. The relativities differ by territory and are listed in [EXHIBIT C17](#).
- (c) Comprehensive base loss cost is the \$15,001-20,000 OCN, age 1, \$500 deductible loss cost and has been calculated by a relativity of 1.02 to the Trucks, Tractors, and Trailers loss cost.
- (d) Collision base loss cost is the \$15,001-20,000 OCN, age 1, \$500 deductible loss cost, and has been calculated by a relativity of 1.27 to the Trucks, Tractors, and Trailers loss cost.
- (e) The loss costs for Specified Causes of Loss have been calculated by a relativity of 1.02 to the corresponding Trucks, Tractors, and Trailers loss cost.

INSURANCE SERVICES OFFICE, INC.

VERMONT
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
TERRITORY LOSS COST LEVEL CHANGES

FOR SCHOOL AND CHURCH BUSES POLICY COVERAGES

Territory Code	\$100,000 CSL Liability	\$500 Med Pay
101	15.5%	0.0%
102	3.8%	0.0%
120	2.2%	0.0%
121	6.0%	0.0%
122	1.8%	0.0%
123	9.2%	100.0%

INSURANCE SERVICES OFFICE, INC.

VERMONT
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
TERRITORY LOSS COST LEVEL CHANGES

FOR SCHOOL AND CHURCH BUSES POLICY COVERAGES

Territory Code	Physical Damage		Specified Causes of Loss
	Comprehensive	Collision	
101	3.0%	5.0%	2.6%
102	7.5%	5.2%	6.5%
120	0.0%	-0.8%	0.0%
121	1.8%	8.1%	3.1%
122	4.6%	-0.8%	2.6%
123	4.7%	6.5%	8.3%

INSURANCE SERVICES OFFICE, INC.

VERMONT
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
REVISED BASE LOSS COSTS BY TERRITORY

FOR SCHOOL AND CHURCH BUSES POLICY COVERAGES

Territory	Liability	\$500	Physical Damage		Specified Causes
Code	\$100,000 CSL (a)	Med Pay (b)	Comprehensive (c)	Collision (d)	of Loss (e)
101	127	2	68	125	39
102	163	3	57	121	33
120	92	2	55	132	32
121	124	2	57	120	33
122	113	2	68	125	39
123	83	2	67	131	39

- (a) The loss costs for School and Church Buses have been calculated by a relativity of 0.55 to the Trucks, Tractors, and Trailers CSL Liability loss costs.
- (b) The loss costs for medical payments have been calculated by multiplying a relativity by the School and Church Buses CSL liability loss costs. The relativities differ by territory and are listed in [EXHIBIT C17](#).
- (c) Comprehensive base loss cost is the \$15,001-20,000 OCN, age 1, \$500 deductible loss cost and has been calculated by a relativity of 0.70 to the Trucks, Tractors, and Trailers loss cost.
- (d) Collision base loss cost is the \$15,001-20,000 OCN, age 1, \$500 deductible loss cost, and has been calculated by a relativity of 0.65 to the Trucks, Tractors, and Trailers loss cost.
- (e) The loss costs for Specified Causes of Loss have been calculated by a relativity of 0.70 to the corresponding Trucks, Tractors, and Trailers loss cost.

INSURANCE SERVICES OFFICE, INC.

VERMONT
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
TERRITORY LOSS COST LEVEL CHANGES

FOR ALL OTHER BUSES POLICY COVERAGES

Territory	\$100,000 CSL	\$500
Code	Liability	Med Pay
101	15.5%	18.2%
102	3.5%	9.1%
120	1.9%	11.1%
121	5.7%	0.0%
122	1.4%	0.0%
123	9.5%	11.1%

INSURANCE SERVICES OFFICE, INC.

VERMONT
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
TERRITORY LOSS COST LEVEL CHANGES

FOR ALL OTHER BUSES POLICY COVERAGES

Territory Code	Physical Damage		Specified Causes of Loss
	Comprehensive	Collision	
101	3.0%	5.0%	2.6%
102	7.5%	5.2%	6.5%
120	0.0%	-0.8%	0.0%
121	1.8%	8.1%	3.1%
122	4.6%	-0.8%	2.6%
123	4.7%	6.5%	8.3%

INSURANCE SERVICES OFFICE, INC.

VERMONT
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
REVISED BASE LOSS COSTS BY TERRITORY

FOR ALL OTHER BUSES POLICY COVERAGES

Territory	Liability	\$500	Physical Damage		Specified Causes
Code	\$100,000 CSL (a)	Med Pay (b)	Comprehensive (c)	Collision (d)	of Loss (e)
101	878	13	68	125	39
102	1125	12	57	121	33
120	635	10	55	132	32
121	855	12	57	120	33
122	779	10	68	125	39
123	574	10	67	131	39

- (a) The loss costs for All Other Buses have been calculated by a relativity of 3.80 to the Trucks, Tractors, and Trailers CSL Liability loss costs.
- (b) The loss costs for medical payments have been calculated by multiplying a relativity by the All Other Buses CSL liability loss costs. The relativities differ by territory and are listed in [EXHIBIT C17](#).
- (c) Comprehensive base loss cost is the \$15,001-20,000 OCN, age 1, \$500 deductible loss cost and has been calculated by a relativity of 0.70 to the Trucks, Tractors, and Trailers loss cost.
- (d) Collision base loss cost is the \$15,001-20,000 OCN, age 1, \$500 deductible loss cost, and has been calculated by a relativity of 0.65 to the Trucks, Tractors, and Trailers loss cost.
- (e) The loss costs for Specified Causes of Loss have been calculated by a relativity of 0.70 to the corresponding Trucks, Tractors, and Trailers loss cost.

INSURANCE SERVICES OFFICE, INC.

VERMONT
 AUTOMOBILE LIABILITY INSURANCE - TRUCKS, TRACTORS, AND TRAILERS (A)
 DETERMINATION OF STATEWIDE ADVISORY LOSS COST LEVEL CHANGES
 SINGLE LIMIT LIABILITY COVERAGE

	(1)	(2)	(3)	(4)	(5)
ACCIDENT YEAR ENDING	AGGREGATE LOSS COST AT CURRENT LEVEL (B)	\$100,000 INCURRED LOSSES (C)	EXPERIENCE RATIO (2) / (1)	ACCIDENT YEAR WEIGHTS	NUMBER OF INCURRED CLAIMS
06/30/14	\$3,648,266	\$4,669,392	1.280	10%	607
06/30/15	\$3,724,512	\$4,198,065	1.127	15%	544
06/30/16	\$3,741,180	\$3,608,532	0.965	20%	448
06/30/17	\$3,778,661	\$3,490,856	0.924	25%	566
06/30/18	\$3,832,307	\$4,505,002	1.176	30%	539
(6)	AVERAGE EXPERIENCE RATIO (SUM OF (3) * (4)).				1.074
(7)	EXPECTED EXPERIENCE RATIO (D).				1.042
(8)	CREDIBILITY (E).				0.45
(9)	CREDIBILITY WEIGHTED EXPERIENCE RATIO: ((6) * (8)) + ((7) * (1.000 - (8))).				1.056
(10)	INDICATED PERCENTAGE CHANGE IN ADVISORY LOSS COST LEVEL ((9) - 1.000).				5.6%
(11)	FILED CHANGE.				5.6%
(A)	TRUCK, TRACTOR, AND TRAILER EXPERIENCE IS FOR VEHICLES WRITTEN IN ACCORDANCE WITH RULE 23 OF THE COMMERCIAL LINES MANUAL, DIVISION 1, AUTOMOBILE.				
(B)	THE AGGREGATE LOSS COST AT CURRENT LEVEL IS CALCULATED BY EXTENDING EXPOSURES BY THE CURRENT LOSS COSTS FROM THE LAST REVISION.				
(C)	LOSSES INCLUDE ALL LOSS ADJUSTMENT EXPENSES FOR BODILY INJURY AND PROPERTY DAMAGE LIABILITY. SEE FOLLOWING PAGE.				
(D)	EXPECTED EXPERIENCE RATIO IS EQUAL TO THE COMBINED TREND FACTOR SHOWN ON THE FOLLOWING PAGE, PROJECTED FOR M YEARS. THE PERIOD M IS EQUAL TO THE NUMBER OF YEARS FROM ONE YEAR BEYOND THE IMPLEMENTATION DATE OF THE LAST REVISION TO ONE YEAR BEYOND THE ANTICIPATED IMPLEMENTATION DATE OF 01/01/20 WHICH IS ASSUMED FOR THE PURPOSES OF TRENDING, SUBJECT TO A MAXIMUM OF THE N-VALUE CORRESPONDING TO THE LATEST YEAR SHOWN ON THE FOLLOWING PAGE, FOOTNOTE B. IN THIS REVISION, THE PERIOD M IS 1.00 YEAR(S).				
(E)	CREDIBILITY IS BASED ON A 5 YEAR TOTAL OF CLAIMS FOR B.I. AND P.D. SHOWN IN COLUMN (5). THE STANDARD FOR FULL CREDIBILITY IS 11,500 CLAIMS (SEE CREDIBILITY TABLES IN SECTION C).				

INSURANCE SERVICES OFFICE, INC.

VERMONT
TRUCKS, TRACTORS, AND TRAILERS
AUTOMOBILE LIABILITY INSURANCE
DETERMINATION OF SINGLE LIMIT LOSSES

	ACC. YEAR ENDING	BODILY INJURY	PROPERTY DAMAGE	COMBINED
(1) INCURRED LOSSES AND	06/30/14	\$1,415,102	\$1,784,112	
ALLOCATED LOSS	06/30/15	\$1,204,485	\$1,770,014	
ADJUSTMENT EXPENSES	06/30/16	\$1,239,036	\$1,350,997	
	06/30/17	\$509,657	\$2,062,456	
	06/30/18	\$920,307	\$2,201,616	
(2) DEVELOPED LOSSES AND	06/30/14	\$1,530,362	\$1,962,523	
ALL LOSS ADJUSTMENT	06/30/15	\$1,325,897	\$1,948,962	
EXPENSES (A)	06/30/16	\$1,438,521	\$1,492,041	
	06/30/17	\$667,319	\$2,298,195	
	06/30/18	\$1,411,774	\$2,569,506	
(3) SELECTED ANNUAL LOSS TREND (SEE TREND EXHIBIT IN SECTION C)		4.4%	4.1%	4.2%
(4) TRENDED LOSSES AND	06/30/14	\$2,069,049	\$2,600,343	\$4,669,392
ALL LOSS ADJUSTMENT	06/30/15	\$1,717,037	\$2,481,029	\$4,198,065
EXPENSES (B)	06/30/16	\$1,783,766	\$1,824,766	\$3,608,532
	06/30/17	\$792,775	\$2,698,081	\$3,490,856
	06/30/18	\$1,606,599	\$2,898,403	\$4,505,002
(A) INCURRED LOSSES AND ALLOCATED LOSS ADJUSTMENT EXPENSES ARE ADJUSTED BY THE FOLLOWING FACTORS:				
1 - UNALLOCATED LOSS ADJUSTMENT FACTORS:		B.I. 1.075	P.D. 1.100	
2 - LOSS DEVELOPMENT FACTORS:				
	YEAR ENDING	B.I.	P.D.	
	06/30/14	1.006	1.000	
	06/30/15	1.024	1.001	
	06/30/16	1.080	1.004	
	06/30/17	1.218	1.013	
	06/30/18	1.427	1.061	

(B) TRENDED LOSSES ARE EQUAL TO (2) * ((1.0 + (3)) ** N), WHERE N IS EQUAL TO
THE NUMBER OF YEARS PROJECTION FROM THE AVERAGE DATE OF ACCIDENT TO ONE
YEAR BEYOND THE ANTICIPATED IMPLEMENTATION DATE OF 01/01/20
WHICH IS ASSUMED FOR THE PURPOSE OF TRENDING.

YEAR ENDING	AVERAGE DATE OF ACCIDENT	PROJECTION PERIOD
06/30/14	1/1/14	7.000
06/30/15	1/1/15	6.000
06/30/16	1/1/16	5.000
06/30/17	1/1/17	4.000
06/30/18	1/1/18	3.000

INSURANCE SERVICES OFFICE, INC.

VERMONT
AUTOMOBILE PHYSICAL DAMAGE INSURANCE - TRUCKS, TRACTORS AND TRAILERS (A)
DETERMINATION OF STATEWIDE ADVISORY LOSS COST LEVEL CHANGES

	(1)	(2)	(3)	(4)	(5)
COVERAGES	AGGREGATE LOSS COST AT CURRENT LEVEL (B)	INCURRED LOSSES (C)	EXPERIENCE RATIO (2) / (1)	ACCIDENT YEAR WEIGHTS	NUMBER OF PAID CLAIMS
O.T.C.					
	06/30/14	\$1,084,049	\$1,370,511	1.264	10% 441
	06/30/15	\$1,087,069	\$921,634	0.848	15% 362
	06/30/16	\$1,105,099	\$946,930	0.857	20% 317
	06/30/17	\$1,141,064	\$1,335,618	1.171	25% 328
	06/30/18	\$1,090,427	\$1,020,572	0.936	30% 343
COLL.					
	06/30/14	\$2,621,321	\$3,265,345	1.246	10% 366
	06/30/15	\$2,614,986	\$2,616,601	1.001	15% 308
	06/30/16	\$2,757,480	\$2,389,171	0.866	20% 270
	06/30/17	\$2,860,377	\$2,409,617	0.842	25% 322
	06/30/18	\$2,874,906	\$3,565,803	1.240	30% 334
				O.T.C.	COLLISION
(6)	AVERAGE EXPERIENCE RATIO (SUM OF (3)*(4)).			0.998	1.031
(7)	EXPECTED EXPERIENCE RATIO (D).			1.059	1.030
(8)	CREDIBILITY (E).			0.40	0.55
(9)	CREDIBILITY WEIGHTED EXPERIENCE RATIO: ((6) * (8)) + ((7) * (1.000- (8))).			1.035	1.031
(10)	INDICATED PERCENTAGE CHANGE IN ADVISORY LOSS COST LEVEL ((9) - 1.000).			3.5%	3.1%
(11)	FILED CHANGE.			3.5%	3.1%
(A)	TRUCK, TRACTOR AND TRAILER EXPERIENCE IS FOR VEHICLES WRITTEN IN ACCORDANCE WITH RULE 23 OF THE COMMERCIAL LINES MANUAL, DIVISION 1, AUTOMOBILE.				
(B)	THE AGGREGATE LOSS COST AT CURRENT LEVEL IS CALCULATED BY EXTENDING EXPOSURES BY THE CURRENT LOSS COSTS AND ADJUSTING TO A PROSPECTIVE OCN LEVEL BY THE APPLICATION OF OCN TREND FACTORS. (SEE SUBSEQUENT PAGE).				
(C)	LOSSES INCLUDE ALL LOSS ADJUSTMENT EXPENSES FOR O.T.C. AND COLL. SEE FOLLOWING PAGE.				
(D)	EXPECTED EXPERIENCE RATIO IS EQUAL TO THE LOSS TREND FACTOR DIVIDED BY THE OCN TREND FACTOR, PROJECTED FOR M YEARS. THE PERIOD M IS EQUAL TO THE NUMBER OF YEARS FROM ONE YEAR BEYOND THE IMPLEMENTATION DATE OF THE LAST REVISION TO ONE YEAR BEYOND THE ANTICIPATED IMPLEMENTATION DATE OF 01/01/20 WHICH IS ASSUMED FOR THE PURPOSES OF TRENDING, SUBJECT TO A MAXIMUM OF THE N-VALUE CORRESPONDING TO THE LATEST YEAR SHOWN ON THE FOLLOWING PAGE, FOOTNOTE B. IN THIS REVISION, THE PERIOD M IS 1.00 YEAR(S).				
(E)	CREDIBILITY IS BASED ON A 5 YEAR TOTAL OF CLAIMS FOR O.T.C. AND A 5 YEAR TOTAL OF CLAIMS FOR COLLISION SHOWN IN COLUMN (5). THE STANDARDS FOR FULL CREDIBILITY ARE 11,000 CLAIMS FOR O.T.C. AND 4,500 CLAIMS FOR COLLISION (SEE CREDIBILITY TABLES IN SECTION C).				

INSURANCE SERVICES OFFICE, INC.

VERMONT
TRUCKS, TRACTORS AND TRAILERS
AUTOMOBILE PHYSICAL DAMAGE INSURANCE
DETERMINATION OF PHYSICAL DAMAGE LOSSES

	ACC. YEAR ENDING	O.T.C	COLLISION
(1) PAID LOSSES	06/30/14	\$755,194	\$2,123,208
	06/30/15	\$543,374	\$1,778,476
	06/30/16	\$597,285	\$1,698,577
	06/30/17	\$900,673	\$1,798,219
	06/30/18	\$716,496	\$2,848,223
(2) DEVELOPED LOSSES AND	06/30/14	\$853,369	\$2,399,225
ALL LOSS ADJUSTMENT	06/30/15	\$614,013	\$2,009,678
EXPENSES (A)	06/30/16	\$674,932	\$1,917,473
	06/30/17	\$1,018,778	\$2,019,796
	06/30/18	\$833,120	\$3,125,156
(3) SELECTED ANNUAL LOSS TREND (SEE TREND EXHIBIT IN SECTION C)		7.0%	4.5%
(4) TRENDED LOSSES AND	06/30/14	\$1,370,511	\$3,265,345
ALL LOSS ADJUSTMENT	06/30/15	\$921,634	\$2,616,601
EXPENSES (B)	06/30/16	\$946,930	\$2,389,171
	06/30/17	\$1,335,618	\$2,409,617
	06/30/18	\$1,020,572	\$3,565,803
(A) PAID LOSSES ARE ADJUSTED BY THE FOLLOWING:			
1 - LOSS ADJUSTMENT EXPENSE FACTORS:		O.T.C	COLL.
		1.130	1.130
2 - LOSS DEVELOPMENT FACTORS:			
	YEAR ENDING	O.T.C.	COLL.
	06/30/14	1.000	1.000
	06/30/15	1.000	1.000
	06/30/16	1.000	0.999
	06/30/17	1.001	0.994
	06/30/18	1.029	0.971
(B) TRENDED LOSSES ARE EQUAL TO (2) * ((1.0 + (3)) ** N), WHERE N IS EQUAL TO THE NUMBER OF YEARS PROJECTION FROM THE AVERAGE DATE OF ACCIDENT TO ONE YEAR BEYOND THE ANTICIPATED IMPLEMENTATION DATE OF 01/01/20 WHICH IS ASSUMED FOR THE PURPOSE OF TRENDING BOTH OTC AND COLLISION.			

YEAR ENDING	AVERAGE DATE OF ACCIDENT	PROJECTION PERIOD OTC	PROJECTION PERIOD COLL
06/30/14	1/1/14	7.000	7.000
06/30/15	1/1/15	6.000	6.000
06/30/16	1/1/16	5.000	5.000
06/30/17	1/1/17	4.000	4.000
06/30/18	1/1/18	3.000	3.000

INSURANCE SERVICES OFFICE, INC.

VERMONT
TRUCKS, TRACTORS AND TRAILERS
AUTOMOBILE PHYSICAL DAMAGE INSURANCE
DETERMINATION OF PHYSICAL DAMAGE TRENDED
AGGREGATE LOSS COSTS

	ACC. YEAR ENDING	O.T.C	COLLISION
(1) AGGREGATE LOSS COSTS	06/30/14	\$1,011,240	\$2,361,550
AT CURRENT LEVEL	06/30/15	\$1,023,605	\$2,392,485
	06/30/16	\$1,051,474	\$2,560,334
	06/30/17	\$1,096,123	\$2,695,926
	06/30/18	\$1,058,667	\$2,748,476
(2) SELECTED ANNUAL OCN			
TREND (SEE TREND		1.0%	1.5%
EXHIBIT IN SECTION C)			
(3) TRENDED AGGREGATE	06/30/14	\$1,084,049	\$2,621,321
LOSS COSTS AT	06/30/15	\$1,087,069	\$2,614,986
CURRENT LEVEL (A)	06/30/16	\$1,105,099	\$2,757,480
	06/30/17	\$1,141,064	\$2,860,377
	06/30/18	\$1,090,427	\$2,874,906

(A) TRENDED AGGREGATE LOSS COSTS ARE EQUAL TO (1) * ((1.0 + (2)) ** N),
WHERE N IS EQUAL TO THE NUMBER OF YEARS PROJECTION FROM THE AVERAGE DATE OF
WRITING TO SIX MONTHS BEYOND THE ANTICIPATED IMPLEMENTATION DATE OF
01/01/20 WHICH IS ASSUMED FOR THE PURPOSE OF TRENDING BOTH OTC
AND COLLISION.

YEAR ENDING	AVERAGE DATE OF WRITING	PROJECTION PERIOD OTC	PROJECTION PERIOD COLL
06/30/14	7/1/13	7.000	7.000
06/30/15	7/1/14	6.000	6.000
06/30/16	7/1/15	5.000	5.000
06/30/17	7/1/16	4.000	4.000
06/30/18	7/1/17	3.000	3.000

INSURANCE SERVICES OFFICE, INC.

VERMONT
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER TYPES (A)
 DETERMINATION OF STATEWIDE ADVISORY LOSS COST LEVEL CHANGES
 SINGLE LIMIT LIABILITY COVERAGE

	(1)	(2)	(3)	(4)	(5)
ACCIDENT YEAR ENDING	AGGREGATE LOSS COST AT CURRENT LEVEL (B)	\$100,000 INCURRED LOSSES (C)	EXPERIENCE RATIO (2) / (1)	ACCIDENT YEAR WEIGHTS	NUMBER OF INCURRED CLAIMS
06/30/14	\$673,269	\$764,033	1.135	10%	99
06/30/15	\$664,489	\$581,311	0.875	15%	109
06/30/16	\$675,568	\$702,136	1.039	20%	82
06/30/17	\$676,061	\$645,834	0.955	25%	103
06/30/18	\$686,992	\$744,978	1.084	30%	91
(6)	AVERAGE EXPERIENCE RATIO (SUM OF (3) * (4)).				1.017
(7)	EXPECTED EXPERIENCE RATIO (D).				1.043
(8)	CREDIBILITY (E).				0.20
(9)	CREDIBILITY WEIGHTED EXPERIENCE RATIO: ((6) * (8)) + ((7) * (1.000 - (8))).				1.038
(10)	INDICATED PERCENTAGE CHANGE IN ADVISORY LOSS COST LEVEL ((9) - 1.000).				3.8%
(11)	FILED CHANGE.				3.8%
(A)	PRIVATE PASSENGER TYPE EXPERIENCE IS FOR VEHICLES WRITTEN IN ACCORDANCE WITH RULE 31 OF THE COMMERCIAL LINES MANUAL, DIVISION 1, AUTOMOBILE.				
(B)	THE AGGREGATE LOSS COST AT CURRENT LEVEL IS CALCULATED BY EXTENDING EXPOSURES BY THE CURRENT LOSS COSTS FROM THE LAST REVISION.				
(C)	LOSSES INCLUDE ALL LOSS ADJUSTMENT EXPENSES FOR BODILY INJURY AND PROPERTY DAMAGE LIABILITY. SEE FOLLOWING PAGE.				
(D)	EXPECTED EXPERIENCE RATIO IS EQUAL TO THE COMBINED TREND FACTOR SHOWN ON THE FOLLOWING PAGE, PROJECTED FOR M YEARS. THE PERIOD M IS EQUAL TO THE NUMBER OF YEARS FROM ONE YEAR BEYOND THE IMPLEMENTATION DATE OF THE LAST REVISION TO ONE YEAR BEYOND THE ANTICIPATED IMPLEMENTATION DATE OF 01/01/20 WHICH IS ASSUMED FOR THE PURPOSES OF TRENDING, SUBJECT TO A MAXIMUM OF THE N-VALUE CORRESPONDING TO THE LATEST YEAR SHOWN ON THE FOLLOWING PAGE, FOOTNOTE B. IN THIS REVISION, THE PERIOD M IS 1.00 YEAR(S).				
(E)	CREDIBILITY IS BASED ON A 5 YEAR TOTAL OF CLAIMS FOR B.I. AND P.D. SHOWN IN COLUMN (5). THE STANDARD FOR FULL CREDIBILITY IS 11,500 CLAIMS (SEE CREDIBILITY TABLES IN SECTION C).				

INSURANCE SERVICES OFFICE, INC.

VERMONT
PRIVATE PASSENGER TYPES
AUTOMOBILE LIABILITY INSURANCE
DETERMINATION OF SINGLE LIMIT LOSSES

	ACC. YEAR ENDING	BODILY INJURY	PROPERTY DAMAGE	COMBINED
(1) INCURRED LOSSES AND	06/30/14	\$189,614	\$333,326	
ALLOCATED LOSS	06/30/15	\$137,141	\$275,241	
ADJUSTMENT EXPENSES	06/30/16	\$282,645	\$221,925	
	06/30/17	\$195,470	\$274,589	
	06/30/18	\$256,928	\$216,723	
(2) DEVELOPED LOSSES AND	06/30/14	\$205,058	\$367,392	
ALL LOSS ADJUSTMENT	06/30/15	\$150,375	\$303,673	
EXPENSES (A)	06/30/16	\$324,505	\$245,094	
	06/30/17	\$241,860	\$305,370	
	06/30/18	\$406,287	\$250,553	
(3) SELECTED ANNUAL LOSS				
TREND (SEE TREND		4.4%	4.1%	4.3%
EXHIBIT IN SECTION C)				
(4) TRENDING LOSSES AND	06/30/14	\$277,238	\$486,794	\$764,033
ALL LOSS ADJUSTMENT	06/30/15	\$194,736	\$386,576	\$581,311
EXPENSES (B)	06/30/16	\$402,386	\$299,750	\$702,136
	06/30/17	\$287,330	\$358,504	\$645,834
	06/30/18	\$462,355	\$282,624	\$744,978
(A) INCURRED LOSSES AND ALLOCATED LOSS ADJUSTMENT EXPENSES ARE ADJUSTED				
BY THE FOLLOWING FACTORS:				
1 - UNALLOCATED LOSS ADJUSTMENT FACTORS:		B.I. 1.075	P.D. 1.100	
2 - LOSS DEVELOPMENT FACTORS:				
	YEAR ENDING	B.I.	P.D.	
	06/30/14	1.006	1.002	
	06/30/15	1.020	1.003	
	06/30/16	1.068	1.004	
	06/30/17	1.151	1.011	
	06/30/18	1.471	1.051	

(B) TRENDING LOSSES ARE EQUAL TO (2) * ((1.0 + (3)) ** N), WHERE N IS EQUAL TO THE NUMBER OF YEARS PROJECTION FROM THE AVERAGE DATE OF ACCIDENT TO ONE YEAR BEYOND THE ANTICIPATED IMPLEMENTATION DATE OF 01/01/20 WHICH IS ASSUMED FOR THE PURPOSE OF TRENDING.

YEAR ENDING	AVERAGE DATE OF ACCIDENT	PROJECTION PERIOD
06/30/14	1/1/14	7.000
06/30/15	1/1/15	6.000
06/30/16	1/1/16	5.000
06/30/17	1/1/17	4.000
06/30/18	1/1/18	3.000

INSURANCE SERVICES OFFICE, INC.

VERMONT
 AUTOMOBILE PHYSICAL DAMAGE INSURANCE - PRIVATE PASSENGER TYPES (A)
 DETERMINATION OF STATEWIDE ADVISORY LOSS COST LEVEL CHANGES

	(1)	(2)	(3)	(4)	(5)
COVERAGES	AGGREGATE LOSS COST AT CURRENT LEVEL (B)	INCURRED LOSSES (C)	EXPERIENCE RATIO (2) / (1)	ACCIDENT YEAR WEIGHTS	NUMBER OF PAID CLAIMS
O.T.C.					
	06/30/14	\$251,144	\$347,892	1.385	10% 168
	06/30/15	\$251,364	\$290,670	1.156	15% 127
	06/30/16	\$238,606	\$208,734	0.875	20% 128
	06/30/17	\$231,072	\$325,423	1.408	25% 117
	06/30/18	\$219,678	\$316,350	1.440	30% 110
COLL.					
	06/30/14	\$579,078	\$529,686	0.915	10% 110
	06/30/15	\$588,585	\$602,579	1.024	15% 108
	06/30/16	\$599,599	\$563,938	0.941	20% 96
	06/30/17	\$582,985	\$513,709	0.881	25% 106
	06/30/18	\$575,640	\$567,652	0.986	30% 117
				O.T.C.	COLLISION
(6)	AVERAGE EXPERIENCE RATIO (SUM OF (3)*(4)).			1.271	0.950
(7)	EXPECTED EXPERIENCE RATIO (D).			1.059	1.039
(8)	CREDIBILITY (E).			0.25	0.35
(9)	CREDIBILITY WEIGHTED EXPERIENCE RATIO: ((6) * (8)) + ((7) * (1.000 - (8))).			1.112	1.008
(10)	INDICATED PERCENTAGE CHANGE IN ADVISORY LOSS COST LEVEL ((9) - 1.000).			11.2%	0.8%
(11)	FILED CHANGE.			11.2%	N.C.
(A)	PRIVATE PASSENGER TYPE EXPERIENCE IS FOR VEHICLES WRITTEN IN ACCORDANCE WITH RULE 31 OF THE COMMERCIAL LINES MANUAL, DIVISION 1, AUTOMOBILE.				
(B)	THE AGGREGATE LOSS COST AT CURRENT LEVEL IS CALCULATED BY EXTENDING EXPOSURES BY THE CURRENT LOSS COSTS AND ADJUSTING TO A PROSPECTIVE OCN LEVEL BY THE APPLICATION OF OCN TREND FACTORS. (SEE SUBSEQUENT PAGE).				
(C)	LOSSES INCLUDE ALL LOSS ADJUSTMENT EXPENSES FOR O.T.C. AND COLL. SEE FOLLOWING PAGE.				
(D)	EXPECTED EXPERIENCE RATIO IS EQUAL TO THE LOSS TREND FACTOR DIVIDED BY THE OCN TREND FACTOR, PROJECTED FOR M YEARS. THE PERIOD M IS EQUAL TO THE NUMBER OF YEARS FROM ONE YEAR BEYOND THE IMPLEMENTATION DATE OF THE LAST REVISION TO ONE YEAR BEYOND THE ANTICIPATED IMPLEMENTATION DATE OF 01/01/20 WHICH IS ASSUMED FOR THE PURPOSES OF TRENDING, SUBJECT TO A MAXIMUM OF THE N-VALUE CORRESPONDING TO THE LATEST YEAR SHOWN ON THE FOLLOWING PAGE, FOOTNOTE B. IN THIS REVISION, THE PERIOD M IS 1.00 YEAR(S).				
(E)	CREDIBILITY IS BASED ON A 5 YEAR TOTAL OF CLAIMS FOR O.T.C. AND A 5 YEAR TOTAL OF CLAIMS FOR COLLISION SHOWN IN COLUMN (5). THE STANDARDS FOR FULL CREDIBILITY ARE 8,500 CLAIMS FOR O.T.C. AND 3,500 CLAIMS FOR COLLISION (SEE CREDIBILITY TABLES IN SECTION C).				

INSURANCE SERVICES OFFICE, INC.

VERMONT
PRIVATE PASSENGER TYPES
AUTOMOBILE PHYSICAL DAMAGE INSURANCE
DETERMINATION OF PHYSICAL DAMAGE LOSSES

	ACC. YEAR ENDING	O.T.C	COLLISION
(1) PAID LOSSES	06/30/14	\$191,699	\$344,415
	06/30/15	\$171,373	\$409,566
	06/30/16	\$131,661	\$400,931
	06/30/17	\$219,449	\$384,138
	06/30/18	\$223,397	\$464,909
(2) DEVELOPED LOSSES AND	06/30/14	\$216,620	\$389,189
ALL LOSS ADJUSTMENT	06/30/15	\$193,651	\$462,810
EXPENSES (A)	06/30/16	\$148,777	\$452,599
	06/30/17	\$248,225	\$430,603
	06/30/18	\$258,245	\$497,504
(3) SELECTED ANNUAL LOSS TREND (SEE TREND EXHIBIT IN SECTION C)		7.0%	4.5%
(4) TRENDED LOSSES AND	06/30/14	\$347,892	\$529,686
ALL LOSS ADJUSTMENT	06/30/15	\$290,670	\$602,579
EXPENSES (B)	06/30/16	\$208,734	\$563,938
	06/30/17	\$325,423	\$513,709
	06/30/18	\$316,350	\$567,652
(A) PAID LOSSES ARE ADJUSTED BY THE FOLLOWING:			
1 - LOSS ADJUSTMENT EXPENSE FACTORS:			
		O.T.C	COLL.
		1.130	1.130
2 - LOSS DEVELOPMENT FACTORS:			
	YEAR ENDING	O.T.C.	COLL.
	06/30/14	1.000	1.000
	06/30/15	1.000	1.000
	06/30/16	1.000	0.999
	06/30/17	1.001	0.992
	06/30/18	1.023	0.947

(B) TRENDED LOSSES ARE EQUAL TO (2) * ((1.0 + (3)) ** N), WHERE N IS EQUAL TO THE NUMBER OF YEARS PROJECTION FROM THE AVERAGE DATE OF ACCIDENT TO ONE YEAR BEYOND THE ANTICIPATED IMPLEMENTATION DATE OF 01/01/20 WHICH IS ASSUMED FOR THE PURPOSE OF TRENDING BOTH OTC AND COLLISION.

YEAR ENDING	AVERAGE DATE OF ACCIDENT	PROJECTION PERIOD OTC	PROJECTION PERIOD COLL
06/30/14	1/1/14	7.000	7.000
06/30/15	1/1/15	6.000	6.000
06/30/16	1/1/16	5.000	5.000
06/30/17	1/1/17	4.000	4.000
06/30/18	1/1/18	3.000	3.000

INSURANCE SERVICES OFFICE, INC.

VERMONT
PRIVATE PASSENGER TYPES
AUTOMOBILE PHYSICAL DAMAGE INSURANCE
DETERMINATION OF PHYSICAL DAMAGE TRENDED
AGGREGATE LOSS COSTS

	ACC. YEAR ENDING	O.T.C	COLLISION
(1) AGGREGATE LOSS COSTS	06/30/14	\$234,276	\$555,204
AT CURRENT LEVEL	06/30/15	\$236,689	\$567,584
	06/30/16	\$227,028	\$582,135
	06/30/17	\$221,971	\$569,321
	06/30/18	\$213,280	\$565,462
(2) SELECTED ANNUAL OCN			
TREND (SEE TREND		1.0%	0.6%
EXHIBIT IN SECTION C)			
(3) TRENDED AGGREGATE	06/30/14	\$251,144	\$579,078
LOSS COSTS AT	06/30/15	\$251,364	\$588,585
CURRENT LEVEL (A)	06/30/16	\$238,606	\$599,599
	06/30/17	\$231,072	\$582,985
	06/30/18	\$219,678	\$575,640

(A) TRENDED AGGREGATE LOSS COSTS ARE EQUAL TO (1) * ((1.0 + (2)) ** N),
WHERE N IS EQUAL TO THE NUMBER OF YEARS PROJECTION FROM THE AVERAGE DATE OF
WRITING TO SIX MONTHS BEYOND THE ANTICIPATED IMPLEMENTATION DATE OF
01/01/20 WHICH IS ASSUMED FOR THE PURPOSE OF TRENDING BOTH OTC
AND COLLISION.

YEAR ENDING	AVERAGE DATE OF WRITING	PROJECTION PERIOD OTC	PROJECTION PERIOD COLL
06/30/14	7/1/13	7.000	7.000
06/30/15	7/1/14	6.000	6.000
06/30/16	7/1/15	5.000	5.000
06/30/17	7/1/16	4.000	4.000
06/30/18	7/1/17	3.000	3.000

INSURANCE SERVICES OFFICE, INC.

VERMONT
COMMERCIAL AUTOMOBILE INSURANCE
SINGLE LIMIT LIABILITY

DETERMINATION OF LOSS COST LEVEL CHANGES BY TERRITORY
TRUCKS, TRACTORS, AND TRAILERS (TTT)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
T	EARNED CAR	\$100000	EXPER LOSS					BASE	BASE	BASE	
E	YRS YR	UND	COST 5 YRS				INDEX	CLASS	CLASS	CLASS	ADV
R	ENDED	LOSS	END	EXPER		FORM	(6) TO	LOSS	LOSS	LOSS	LOSS
R	06/30/2018	COST	06/30/2018	RATIO	CRED	RATIO	STATE	COST	COST	COST	COST
								PRES	IND*	REV	CHG**
101	794	207.08	454.90	2.197	0.10	1.227	1.096	200	231	231	15.5%
102	1565	311.05	305.85	0.983	0.15	1.099	0.981	286	296	296	3.5%
120	8798	152.11	148.28	0.975	0.25	1.083	0.967	164	167	167	1.8%
121	864	226.23	259.48	1.147	0.10	1.122	1.002	213	225	225	5.6%
122	1026	225.86	152.20	0.674	0.10	1.075	0.960	202	205	205	1.5%
123	11266	125.66	156.41	1.245	0.30	1.157	1.033	138	151	151	9.4%
SW	24313	157.63	176.32	1.119		1.120					

* KEYED TO A STATEWIDE LOSS COST CHANGE OF 5.6 PERCENT.

** PERCENTAGE CHANGE IN LOSS COST IS (COL 10/COL 8)

INSURANCE SERVICES OFFICE, INC.

VERMONT
COMMERCIAL AUTOMOBILE INSURANCE
SINGLE LIMIT LIABILITY

DETERMINATION OF LOSS COST LEVEL CHANGES BY TERRITORY
PRIVATE PASSENGER TYPES (PPT)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
T	EARNED CAR	\$100000	EXPER LOSS					BASE	BASE	BASE	ADV
E	YRS YR	UND	COST 5 YRS				INDEX	CLASS	CLASS	CLASS	LOSS
R	ENDED	LOSS	END	EXPER		FORM	(6) TO	LOSS	LOSS	LOSS	LOSS
R	06/30/2018	COST	06/30/2018	RATIO	CRED	RATIO	STATE	COST	COST	COST	COST
								PRES	IND*	REV	CHG**
101	169	243.54	127.12	0.522	0.00	1.039	0.995	241	249	249	3.3%
102	468	177.67	153.59	0.864	0.05	1.030	0.987	178	182	182	2.2%
120	1094	172.92	152.44	0.882	0.10	1.023	0.980	175	178	178	1.7%
121	285	199.10	331.09	1.663	0.05	1.070	1.025	199	212	212	6.5%
122	221	207.39	121.52	0.586	0.00	1.039	0.995	207	214	214	3.4%
123	1542	175.70	215.80	1.228	0.10	1.058	1.013	181	190	190	5.0%
SW	3779	181.79	188.97	1.039		1.044					

* KEYED TO A STATEWIDE LOSS COST CHANGE OF 3.8 PERCENT.

** PERCENTAGE CHANGE IN LOSS COST IS (COL 10/COL 8)

INSURANCE SERVICES OFFICE, INC.

VERMONT
COMMERCIAL AUTOMOBILE INSURANCE
PHYSICAL DAMAGE - COMPREHENSIVE

DETERMINATION OF LOSS COST LEVEL CHANGES BY TERRITORY
TRUCKS, TRACTORS, AND TRAILERS (TTT)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
T	EARNED CAR		EXPER LOSS					BASE	BASE	BASE	ADV
E	YRS YR	UND	COST 5 YRS				INDEX	CLASS	CLASS	CLASS	LOSS
R	ENDED	LOSS	END	EXPER		FORM	(6) TO	LOSS	LOSS	LOSS	COST
R	06/30/2018	COST	06/30/2018	RATIO	CRED	RATIO	STATE	COST	COST	COST	COST
								PRES	IND*	REV	CHG**
101	693	72.49	66.02	0.911	0.05	1.016	0.994	94	97	97	3.2%
102	1189	65.92	85.32	1.294	0.10	1.049	1.026	76	81	81	6.6%
120	5410	59.95	53.56	0.893	0.20	0.996	0.975	78	79	79	1.3%
121	708	67.95	59.01	0.868	0.05	1.014	0.992	80	82	82	2.5%
122	1069	79.64	91.30	1.146	0.10	1.034	1.012	93	97	97	4.3%
123	6679	75.49	80.54	1.067	0.25	1.033	1.011	91	95	95	4.4%
SW	15748	69.24	70.76	1.022		1.022					

* KEYED TO A STATEWIDE LOSS COST CHANGE OF 3.5 PERCENT.

** PERCENTAGE CHANGE IN LOSS COST IS (COL 10/COL 8)

INSURANCE SERVICES OFFICE, INC.

VERMONT
COMMERCIAL AUTOMOBILE INSURANCE
PHYSICAL DAMAGE - COLLISION

DETERMINATION OF LOSS COST LEVEL CHANGES BY TERRITORY
TRUCKS, TRACTORS, AND TRAILERS (TTT)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	EARNED CAR YRS YR ENDED 06/30/2018	UND LOSS COST	EXPER LOSS COST 5 YRS END 06/30/2018	EXPER RATIO	CRED	FORM RATIO	INDEX (6) TO STATE	BASE CLASS LOSS COST PRES	BASE CLASS LOSS COST IND*	BASE CLASS LOSS COST REV	ADV LOSS COST CHG**
101	665	189.08	243.17	1.286	0.10	1.043	1.025	183	193	193	5.5%
102	1181	200.73	230.86	1.150	0.15	1.036	1.018	177	186	186	5.1%
120	4604	201.43	177.34	0.880	0.30	0.975	0.958	205	203	203	-1.0%
121	702	183.71	295.09	1.606	0.10	1.075	1.056	170	185	185	8.8%
122	1058	260.34	160.13	0.615	0.10	0.976	0.959	194	192	192	-1.0%
123	6074	194.32	212.78	1.095	0.40	1.048	1.029	189	201	201	6.3%
SW	14284	201.27	204.41	1.016		1.018					

* KEYED TO A STATEWIDE LOSS COST CHANGE OF 3.1 PERCENT.

** PERCENTAGE CHANGE IN LOSS COST IS (COL 10/COL 8)

INSURANCE SERVICES OFFICE, INC.

VERMONT
COMMERCIAL AUTOMOBILE INSURANCE
PHYSICAL DAMAGE - COMPREHENSIVE

DETERMINATION OF LOSS COST LEVEL CHANGES BY TERRITORY
PRIVATE PASSENGER TYPES (PPT)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
T	EARNED CAR		EXPER LOSS					BASE	BASE	BASE	ADV
E	YRS YR	UND	COST 5 YRS				INDEX	CLASS	CLASS	CLASS	LOSS
R	ENDED	LOSS	END	EXPER		FORM	(6) TO	LOSS	LOSS	LOSS	LOSS
R	06/30/2018	COST	06/30/2018	RATIO	CRED	RATIO	STATE	COST	COST	COST	COST
								PRES	IND*	REV	CHG**
101	136	101.65	125.06	1.230	0.05	1.278	0.992	84	93	93	10.7%
102	400	77.12	60.09	0.779	0.10	1.231	0.956	65	69	69	6.2%
120	707	81.07	129.85	1.602	0.10	1.313	1.019	71	80	80	12.7%
121	224	88.29	75.94	0.860	0.05	1.260	0.978	82	89	89	8.5%
122	174	95.16	75.48	0.793	0.05	1.257	0.976	86	93	93	8.1%
123	884	92.03	133.85	1.454	0.15	1.307	1.015	78	88	88	12.8%
SW	2525	87.00	111.41	1.281		1.288					

* KEYED TO A STATEWIDE LOSS COST CHANGE OF 11.2 PERCENT.

** PERCENTAGE CHANGE IN LOSS COST IS (COL 10/COL 8)

INSURANCE SERVICES OFFICE, INC.

VERMONT
COMMERCIAL AUTOMOBILE INSURANCE
PHYSICAL DAMAGE - COLLISION

DETERMINATION OF LOSS COST LEVEL CHANGES BY TERRITORY
PRIVATE PASSENGER TYPES (PPT)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
T	EARNED CAR		EXPER LOSS					BASE	BASE
E	YRS YR	UND	COST 5 YRS				INDEX	CLASS	CLASS
R	ENDED	LOSS	END	EXPER		FORM	(6) TO	LOSS	LOSS
R	06/30/2018	COST	06/30/2018	RATIO	CRED	RATIO	STATE	COST	COST
								PRES	IND*
101	141	206.47	174.15	0.843	0.05	0.968	0.989	236	235
102	420	211.79	222.91	1.053	0.15	0.987	1.008	246	250
120	734	212.47	171.74	0.808	0.15	0.950	0.970	260	254
121	253	213.79	299.28	1.400	0.10	1.018	1.040	263	276
122	182	199.46	81.36	0.408	0.05	0.947	0.967	242	236
123	954	221.42	237.59	1.073	0.20	0.995	1.016	264	270
SW	2684	214.47	209.17	0.975		0.979			

* KEYED TO A STATEWIDE LOSS COST CHANGE OF 0.8 PERCENT.

DUE TO THE MODEST INDICATION, WE WILL NOT BE FILING THESE
INDICATED LOSS COSTS. THE LOSS COSTS IN COLUMN (8) REMAIN IN EFFECT.

INSURANCE SERVICES OFFICE, INC.

COMMERCIAL AUTOMOBILE LIABILITY INSURANCE
MULTISTATE LOSS ADJUSTMENT EXPENSE EXPERIENCE

Calendar Year

Development of Unallocated Loss Adjustment Expense Factor

		<u>Bodily Injury</u> (000's)					3 YR.	5 YR.
		<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>AVG</u>	<u>AVG</u>
(1)	ITEM Direct Losses Incurred	4,201,981	4,808,966	5,392,813	5,762,768	6,343,079		
(2)	Allocated Loss Adjustment Expenses Incurred	480,882	516,366	609,253	669,634	692,813		
(3)	Unallocated Loss Adjustment Expense Incurred	431,513	471,206	478,672	478,481	509,596		
(4)	Unallocated LAE as a Ratio to Losses + Allocated LAE (3)/[(1)+(2)]	9.2%	8.8%	8.0%	7.4%	7.2%	7.6%	8.1%
(5)	Selected Factor							7.5%

		<u>Property Damage</u> (000's)					3 YR.	5 YR.
		<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>AVG</u>	<u>AVG</u>
(1)	ITEM Direct Losses Incurred	965,963	1,036,103	1,144,361	1,240,811	1,278,538		
(2)	Allocated Loss Adjustment Expenses Incurred	70,743	69,240	85,269	72,162	83,354		
(3)	Unallocated Loss Adjustment Expense Incurred	113,312	129,347	129,840	127,728	134,901		
(4)	Unallocated LAE as a Ratio to Losses + Allocated LAE (3)/[(1)+(2)]	10.9%	11.7%	10.6%	9.7%	9.9%	10.1%	10.6%
(5)	Selected Factor							10.0%

All items are from Special Call Submission for available writers.

INSURANCE SERVICES OFFICE, INC.

COMMERCIAL AUTOMOBILE PHYSICAL DAMAGE INSURANCE
MULTISTATE LOSS ADJUSTMENT EXPENSE EXPERIENCE

Calendar Year

Development of Factor to Include all Loss Adjustment Expenses

		(000's)					3 YR.	5 YR.
		<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>AVG</u>	<u>AVG</u>
(1)	ITEM Direct Losses Incurred	3,615,666	4,009,807	4,293,030	4,806,080	5,434,351		
(2)	Loss Adjustment Expenses Incurred	581,191	657,537	578,445	622,951	702,920		
(3)	Losses + LAE Incurred as Ratio to Losses Incurred [(1)+(2)]/(1)	1.161	1.164	1.135	1.130	1.129	1.131	1.144
(4)	Selected							1.130

Items (1) and (2) are from the Insurance Expense Exhibits for agency and direct writers.

INSURANCE SERVICES OFFICE, INC.

COMMERCIAL AUTO LIABILITY
DETERMINATION OF FACTORS TO ADJUST ACCIDENT YEAR
LOSS RATIOS FOR SUBSEQUENT CHANGES

AVERAGE PAID CLAIM COST DATA

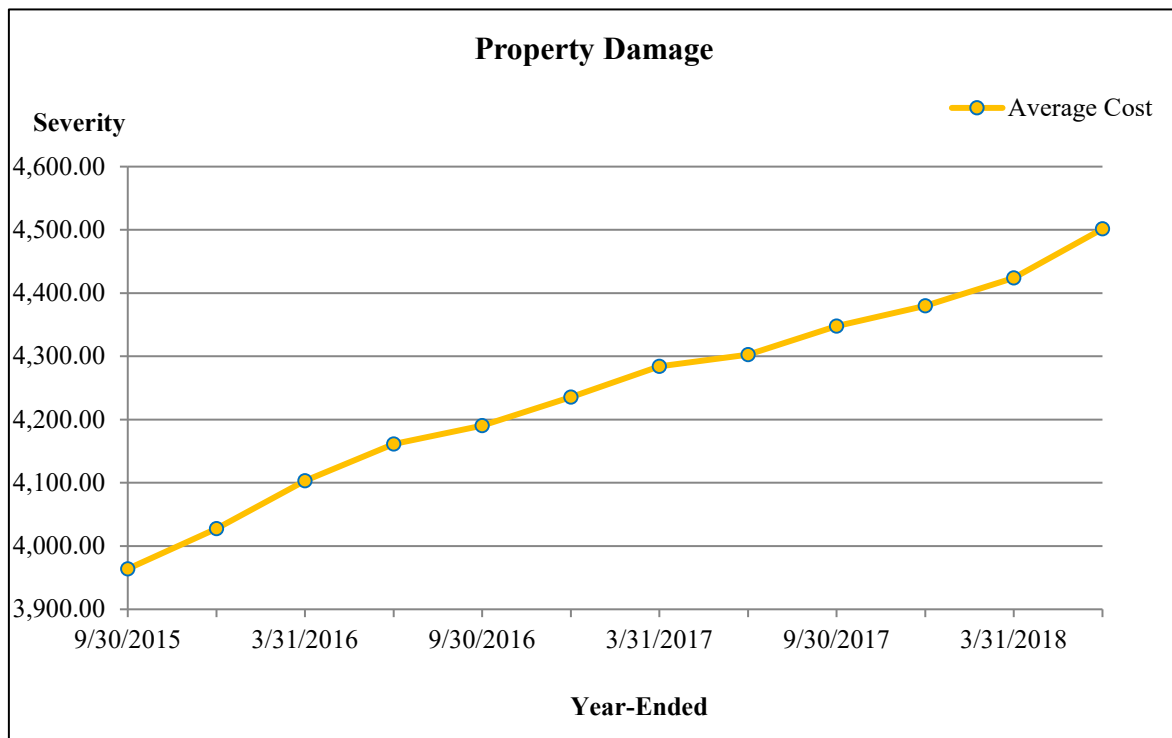
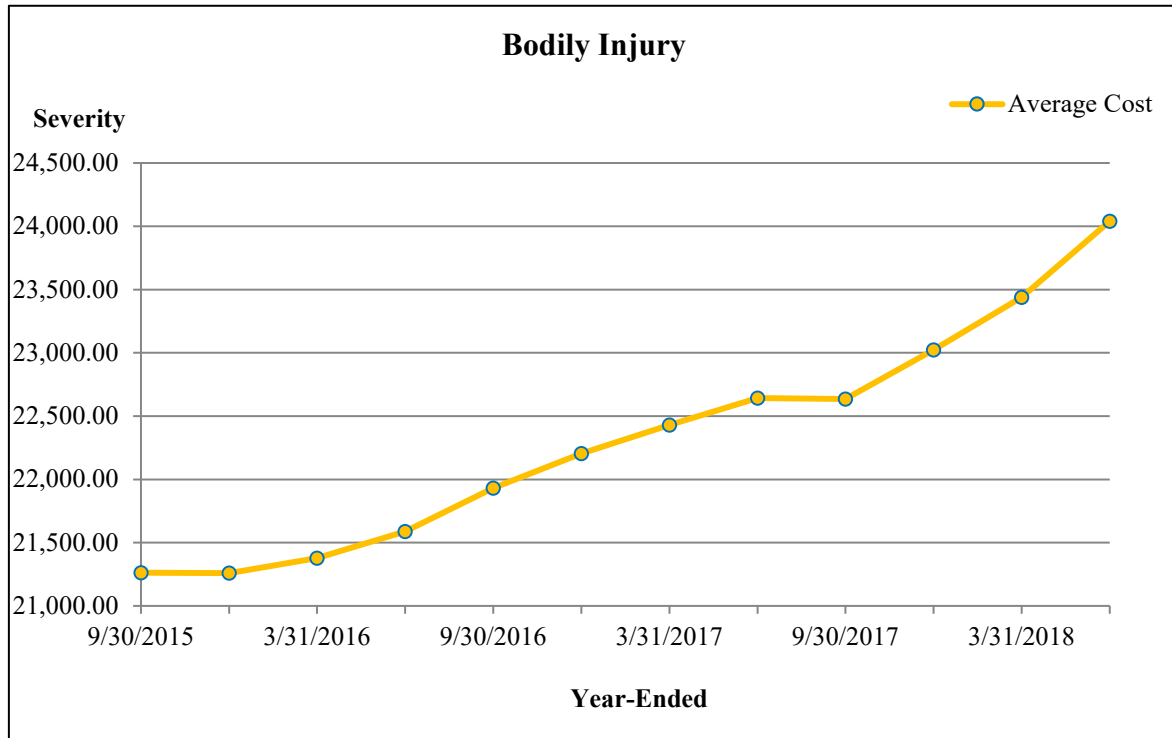
YEAR ENDED	VERMONT				MULTISTATE*			
	BODILY INJURY (\$100000 LIMITS)		PROPERTY DAMAGE (\$100000 LIMITS)		BODILY INJURY (\$100000 LIMITS)		PROPERTY DAMAGE (\$100000 LIMITS)	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	ACTUAL	EXPONENTIAL FIT	ACTUAL	EXPONENTIAL FIT	ACTUAL	EXPONENTIAL FIT	ACTUAL	EXPONENTIAL FIT
9/30/2015	21491.31	27194.37	3821.58	3795.01	21261.31	21015.45	3963.97	4002.25
12/31/2015	21097.02	26785.50	3835.37	3791.13	21258.97	21243.88	4027.73	4044.58
3/31/2016	25866.29	26382.79	3680.82	3787.26	21376.81	21474.80	4103.35	4087.36
6/30/2016	28983.11	25986.12	3743.25	3783.39	21588.22	21708.23	4161.47	4130.59
9/30/2016	31785.18	25595.42	3896.73	3779.52	21930.55	21944.20	4190.36	4174.28
12/31/2016	34763.53	25210.60	3900.43	3775.66	22203.36	22182.74	4235.66	4218.43
3/31/2017	28159.61	24831.56	3796.80	3771.80	22430.72	22423.86	4284.35	4263.05
6/30/2017	27043.82	24458.22	3701.34	3767.94	22643.31	22667.61	4302.58	4308.14
9/30/2017	25395.94	24090.49	3615.89	3764.09	22633.82	22914.00	4347.57	4353.70
12/31/2017	22043.23	23728.29	3604.31	3760.24	23023.23	23163.08	4379.75	4399.75
3/31/2018	19044.12	23371.54	3695.91	3756.40	23439.05	23414.86	4423.88	4446.29
6/30/2018	19738.57	23020.15	4014.69	3752.56	24040.61	23669.38	4501.57	4493.31

		BODILY INJURY	PROPERTY DAMAGE
(9)	AVERAGE ANNUAL PERCENT CHANGE IN PAID CLAIM COST (12TH POINT / 8TH POINT)		
	(A) VERMONT	-5.9%	-0.4%
	(B) MULTISTATE	4.4%	4.3%
(10)	CREDIBILITY	0.00	0.05
(11)	WEIGHTED AVERAGE ANNUAL PERCENT CHANGE IN PAID CLAIM COSTS { (10) * (9A) } + { (1.0 - (10)) * (9B) }	4.4%	4.1%
(12)	SELECTED ANNUAL PERCENT CHANGE IN CLAIM FREQUENCY	0.0%	0.0%
(13)	AVERAGE ANNUAL PERCENT CHANGE IN LIABILITY LOSS RATIO (11) * (12)	4.4%	4.1%

* EXCLUDES MASSACHUSETTS

INSURANCE SERVICES OFFICE, INC.

Commercial Automobile Liability
Average Paid Claim Cost Experience
Multistate*



*Excludes Massachusetts

INSURANCE SERVICES OFFICE, INC.

COMMERCIAL AUTO LIABILITY
INCURRED CLAIM FREQUENCY

MULTISTATE*

TRUCKS, TRACTORS, AND TRAILERS

<u>YEAR</u> <u>ENDING</u>	<u>BODILY INJURY</u> <u>ACTUAL</u>	<u>BODILY INJURY</u> <u>ACTUAL CHANGE@</u>	<u>PROPERTY DAMAGE</u> <u>ACTUAL</u>	<u>PROPERTY DAMAGE</u> <u>ACTUAL CHANGE@</u>
6/30/2012	0.7612		2.7500	
9/30/2012	0.7516		2.7127	
12/31/2012	0.7534		2.6945	
3/31/2013	0.7484		2.7279	
6/30/2013	0.7589	-0.3% &	2.7639	0.5% &
9/30/2013	0.7694		2.8018	
12/31/2013	0.7702		2.8210	
3/31/2014	0.7840	4.8%	2.9082	6.6%
6/30/2014	0.7754		2.9083	
9/30/2014	0.7723		2.9127	
12/31/2014	0.7767		2.9117	
3/31/2015	0.7684	-2.0%	2.8802	-1.0%
6/30/2015	0.7757		2.8858	
9/30/2015	0.7839		2.9125	
12/31/2015	0.7967		2.9307	
3/31/2016	0.8078	5.1%	2.9037	0.8%
6/30/2016	0.8187		2.9153	
9/30/2016	0.8285		2.9235	
12/31/2016	0.8284		2.9209	
3/31/2017	0.8331	3.1%	2.9050	0.0%
6/30/2017	0.8390		2.8925	
9/30/2017	0.8304		2.8497	
12/31/2017	0.8272		2.8305	
3/31/2018	0.8280	-0.6%	2.8239	-2.8%

* EXCLUDES MASSACHUSETTS

@ CHANGE BASED ON YEARS ENDING 3/31/XXXX

& CHANGE BASED ON YEAR ENDING 6/30/2013 divided by 6/30/2012

INSURANCE SERVICES OFFICE, INC.

COMMERCIAL AUTO LIABILITY
INCURRED CLAIM FREQUENCY

MULTISTATE*

PRIVATE PASSENGER TYPES

<u>YEAR</u> <u>ENDING</u>	<u>BODILY INJURY</u> <u>ACTUAL</u>	<u>BODILY INJURY</u> <u>ACTUAL CHANGE@</u>	<u>PROPERTY DAMAGE</u> <u>ACTUAL</u>	<u>PROPERTY DAMAGE</u> <u>ACTUAL CHANGE@</u>
6/30/2012	0.9028		3.2712	
9/30/2012	0.8854		3.2480	
12/31/2012	0.8634		3.1989	
3/31/2013	0.8516		3.1670	
6/30/2013	0.8458	-6.3% &	3.1241	-4.5% &
9/30/2013	0.8564		3.1394	
12/31/2013	0.8597		3.1663	
3/31/2014	0.8569	0.6%	3.2033	1.1%
6/30/2014	0.8583		3.2016	
9/30/2014	0.8479		3.1575	
12/31/2014	0.8453		3.1345	
3/31/2015	0.8264	-3.6%	3.1008	-3.2%
6/30/2015	0.8104		3.0724	
9/30/2015	0.8069		3.1098	
12/31/2015	0.8050		3.1191	
3/31/2016	0.8165	-1.2%	3.1152	0.5%
6/30/2016	0.8254		3.1415	
9/30/2016	0.8437		3.1337	
12/31/2016	0.8323		3.1157	
3/31/2017	0.8323	1.9%	3.0593	-1.8%
6/30/2017	0.8307		3.0153	
9/30/2017	0.8033		2.9280	
12/31/2017	0.8032		2.8939	
3/31/2018	0.8080	-2.9%	2.8799	-5.9%

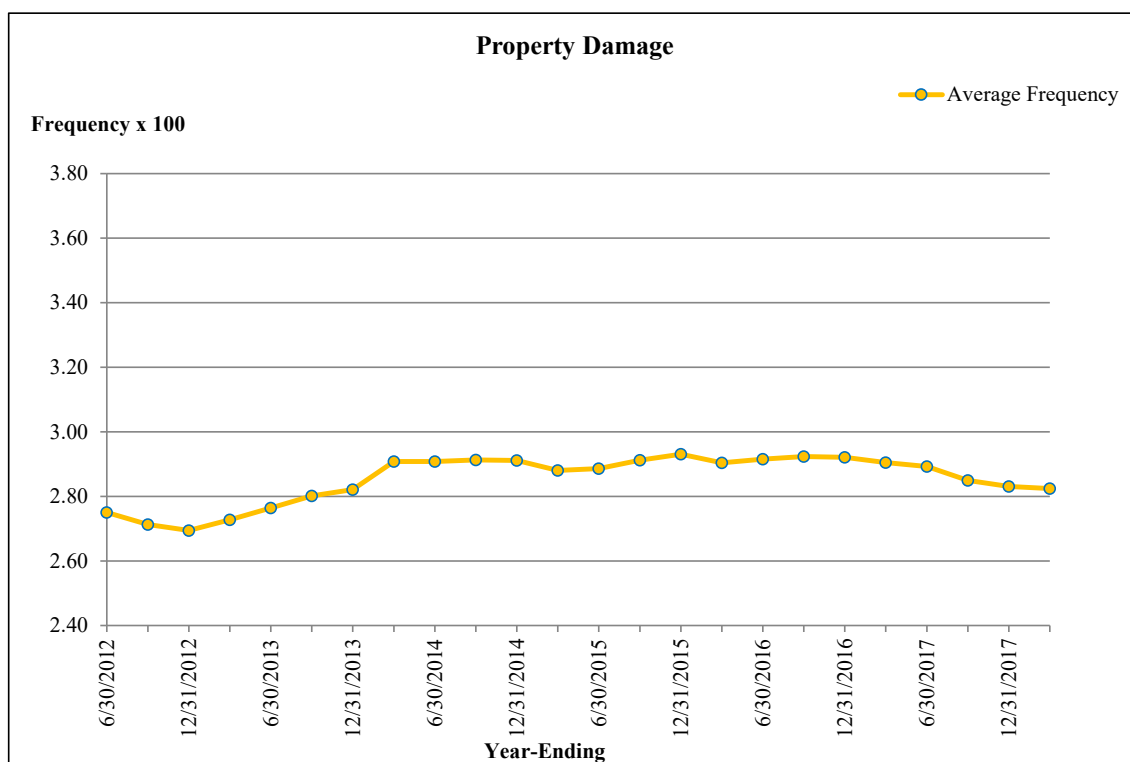
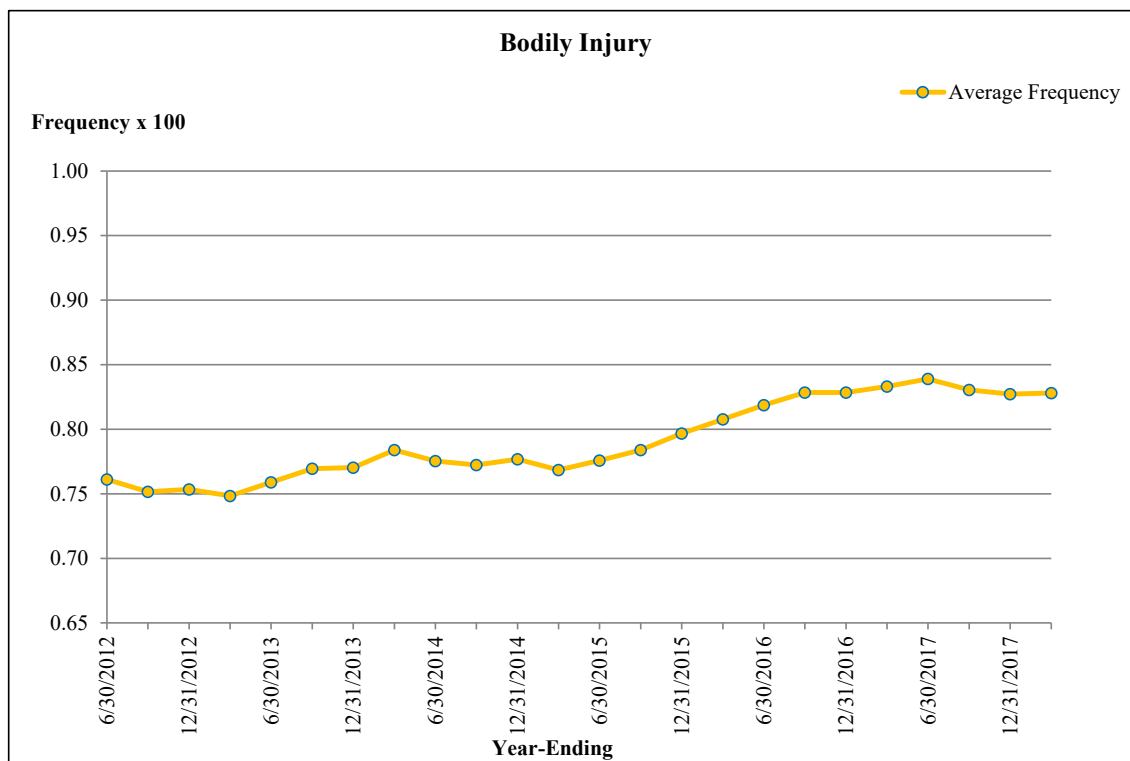
* EXCLUDES MASSACHUSETTS

@ CHANGE BASED ON YEARS ENDING 3/31/XXXX

& CHANGE BASED ON YEAR ENDING 6/30/2013 divided by 6/30/2012

INSURANCE SERVICES OFFICE, INC.

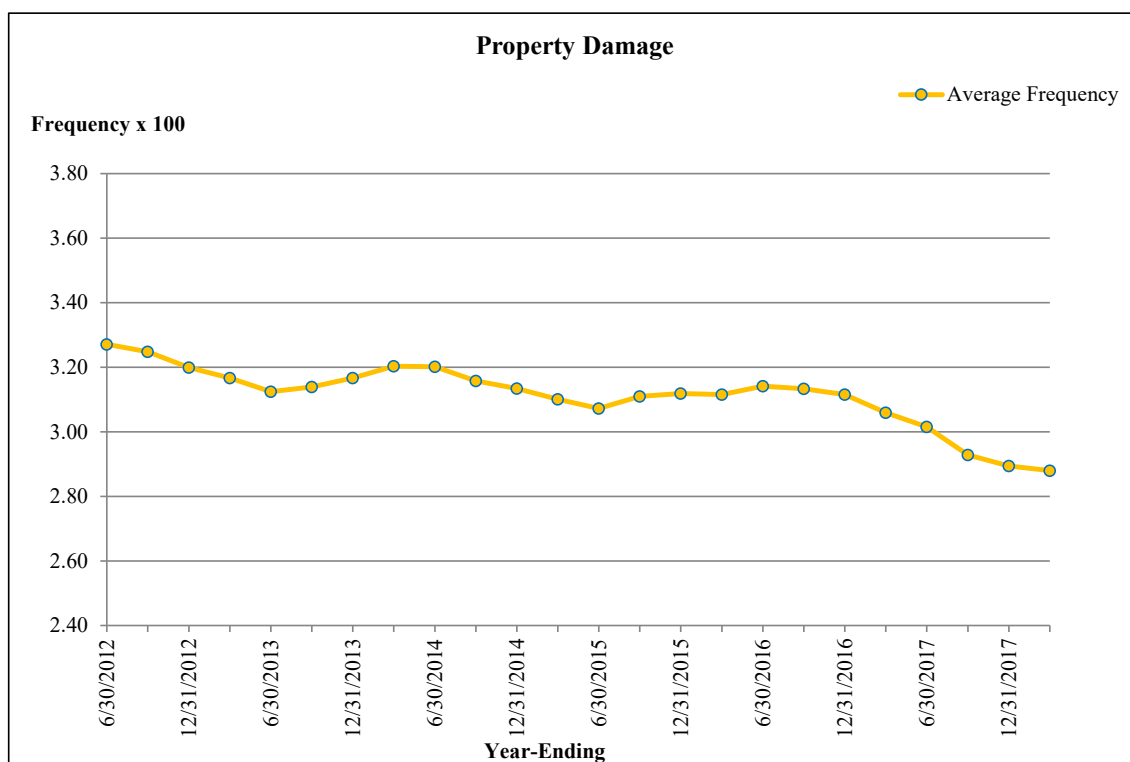
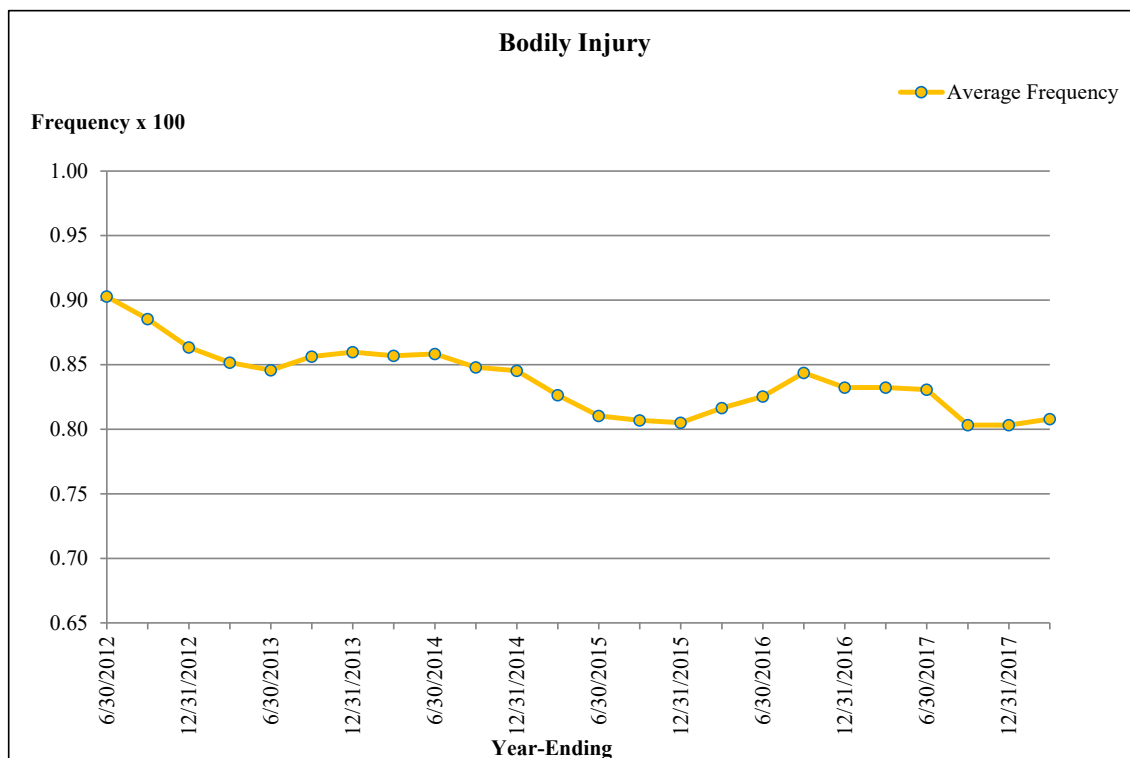
Commercial Automobile Liability
Incurred Claim Frequency Experience
Trucks, Tractors, and Trailers
Multistate*



*Excludes Massachusetts

INSURANCE SERVICES OFFICE, INC.

Commercial Automobile Liability
 Incurred Claim Frequency Experience
 Private Passenger Types
 Multistate*



*Excludes Massachusetts

INSURANCE SERVICES OFFICE, INC.

Multistate*
Trucks, Tractors & Trailers Physical Damage
Other Than Collision

Frequency (expressed as claims per 100 exposures)

	\$250 Deductible		\$500 Deductible		\$1,000 Deductible	
Year Ending:	Actual	Change**	Actual	Change**	Actual	Change**
12/31/2013	2.39		1.39		0.92	
6/30/2014	2.48		1.40		0.91	
12/31/2014	2.44		1.37		0.90	
6/30/2015	2.33	-6.0%	1.35	-3.6%	0.89	-2.2%
12/31/2015	2.26		1.34		0.90	
6/30/2016	2.18	-6.4%	1.33	-1.5%	0.91	2.2%
12/31/2016	2.20		1.34		0.90	
6/30/2017	2.20	0.9%	1.36	2.3%	0.89	-2.2%
12/31/2017	2.22		1.39		0.92	
6/30/2018	2.28	3.6%	1.44	5.9%	0.93	4.5%

Volume*** of losses for the most recent year by deductible:

Deductible:	Percent of Losses
Full	0.4%
\$50	0.5%
\$100	2.5%
\$200	0.2%
\$250	9.2%
\$500	38.1%
\$1,000	43.0%
\$2,000	3.9%
\$3,000	0.6%
\$5,000	1.6%

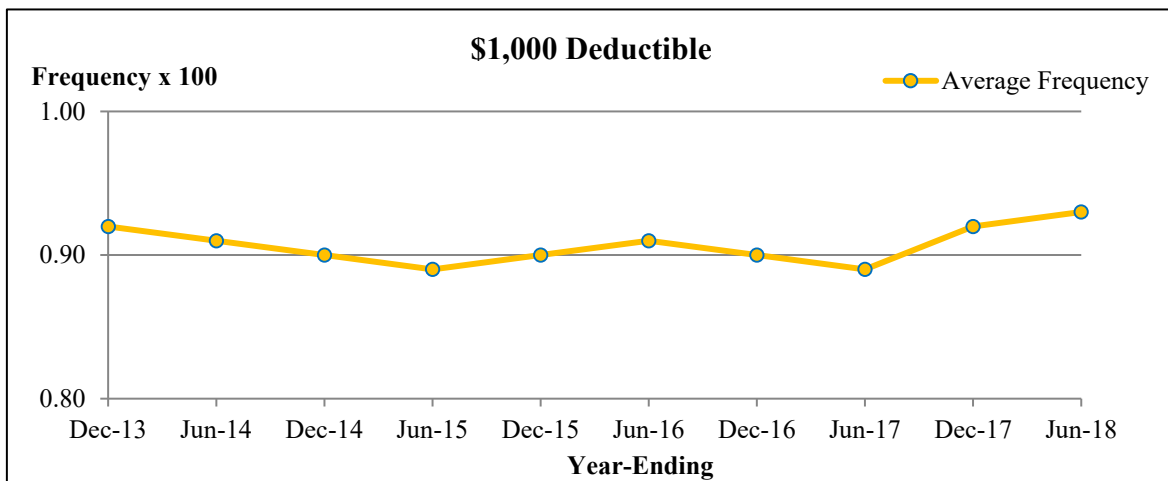
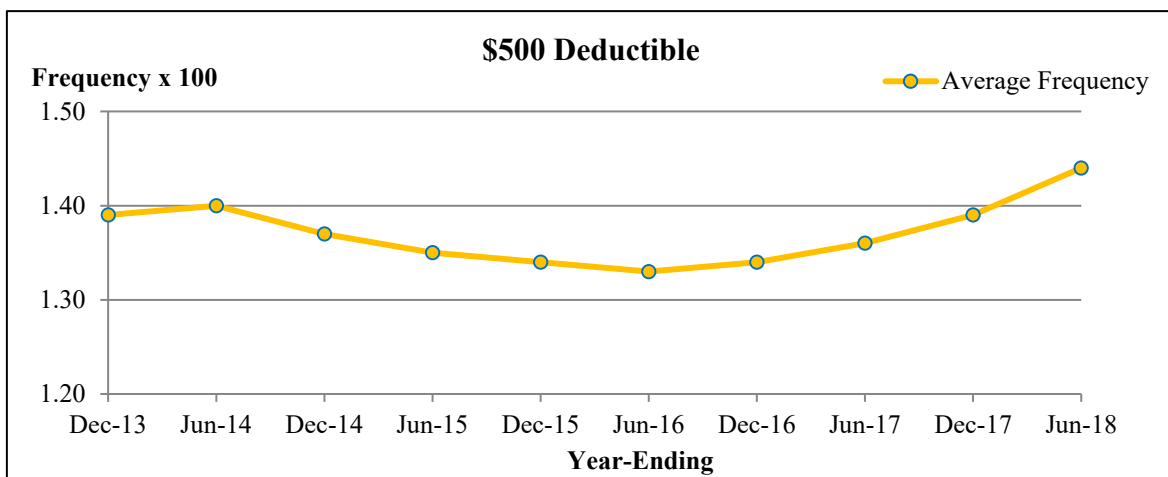
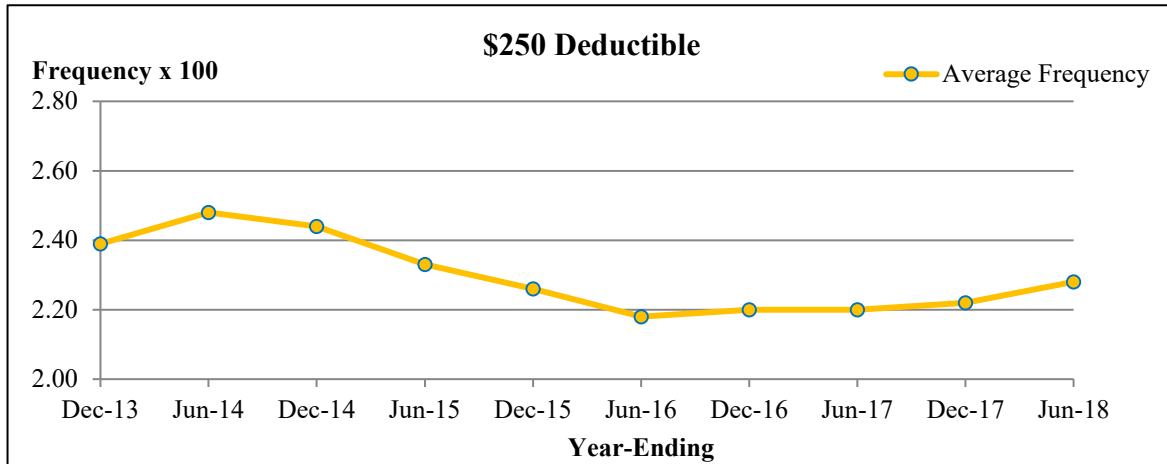
* Multistate data excludes Massachusetts

** Change based on years ending 06/30/xxxx

*** Deductibles above \$1,000, totaling 6.1% of losses, are excluded from the trend calculations.

INSURANCE SERVICES OFFICE, INC.

Commercial Automobile
Trucks, Tractors & Trailers Physical Damage
Other Than Collision Frequency Trend
Multistate*



*Excludes Massachusetts

Selected Other Than Collision Frequency Trend Factor: 0.0%

INSURANCE SERVICES OFFICE, INC.

Multistate*
Trucks, Tractors & Trailers Physical Damage
Other Than Collision

Severity Trend

Year Ending:	\$250 Deductible	\$500 Deductible	\$1,000 Deductible
12/31/2013	2,759.29	4,709.75	6,967.25
6/30/2014	2,863.12	4,929.48	7,272.90
12/31/2014	2,999.27	5,071.70	7,417.23
6/30/2015	3,070.47	5,129.15	7,426.77
12/31/2015	3,200.02	5,418.14	7,692.02
6/30/2016	3,449.12	5,614.54	8,017.54
12/31/2016	3,500.87	5,663.75	8,384.22
6/30/2017	3,588.48	5,949.85	8,752.41
12/31/2017	3,791.00	6,284.14	9,139.41
6/30/2018	3,811.56	6,272.76	9,239.69

Average Annual Change Using Exponential Fits:

10 point fit:	7.9%	6.8%	6.7%
8 point fit:	7.6%	6.9%	7.4%
6 point fit:	7.0%	6.6%	8.0%

Selected severity trend:	7.0%
Selected frequency trend:	0.0%
Selected pure premium trend:	7.0%

* Multistate data excludes Massachusetts

INSURANCE SERVICES OFFICE, INC.

Multistate*
Trucks, Tractors, & Trailers Physical Damage
Collision

Frequency (expressed as claims per 100 exposures)

	\$500 Deductible		\$1,000 Deductible		\$2,000 Deductible	
Year Ending:	Actual	Change**	Actual	Change**	Actual	Change**
12/31/2013	2.24		1.92		1.52	
6/30/2014	2.30		1.97		1.57	
12/31/2014	2.29		1.97		1.58	
6/30/2015	2.26	-1.6%	1.96	-0.5%	1.58	0.8%
12/31/2015	2.28		1.98		1.61	
6/30/2016	2.26	-0.2%	1.98	1.4%	1.62	2.2%
12/31/2016	2.35		2.06		1.67	
6/30/2017	2.38	5.2%	2.05	3.4%	1.68	3.8%
12/31/2017	2.32		2.00		1.65	
6/30/2018	2.33	-2.0%	2.03	-1.0%	1.70	1.1%

Volume*** of losses for the most recent year by deductible:

Deductible:	Percent of Losses
\$100	0.1%
\$200	0.0%
\$250	1.9%
\$500	35.8%
\$1,000	52.4%
\$2,000	4.9%
\$3,000	1.4%
\$5,000	3.3%

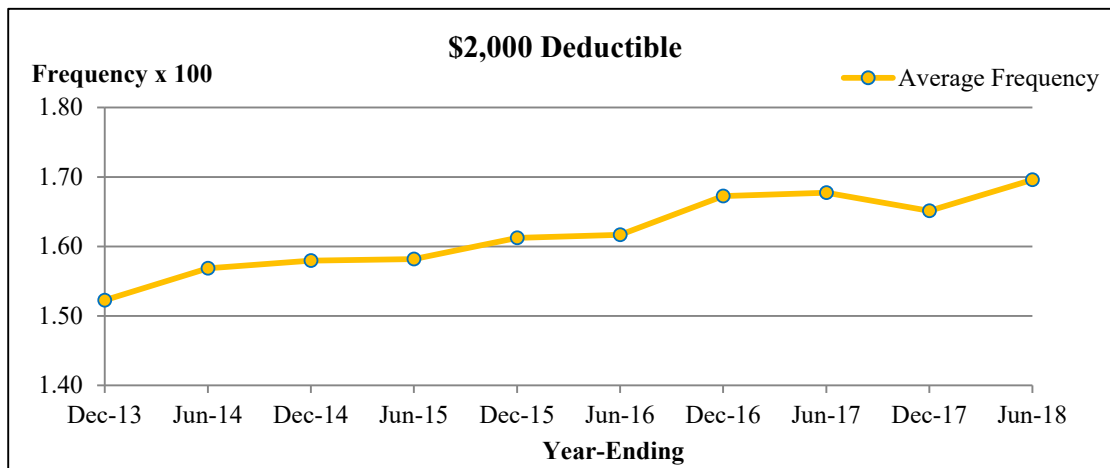
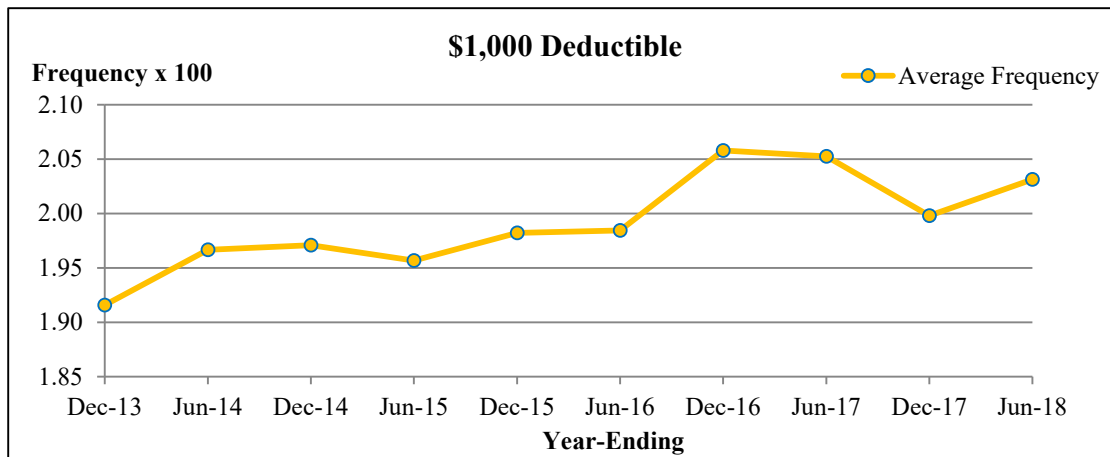
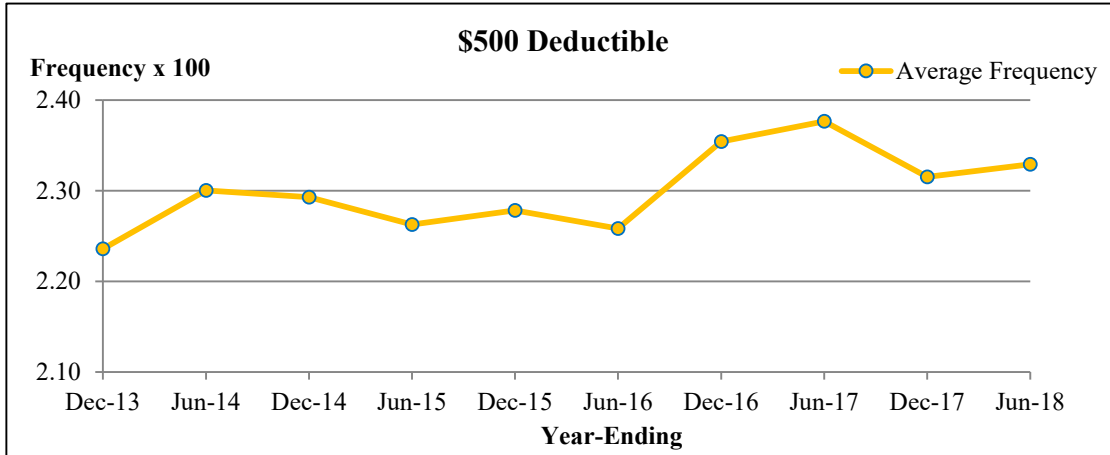
* Multistate data excludes Massachusetts

** Change based on years ending 06/30/xxxx

*** Deductibles above \$2,000, totaling 4.7% of losses, are excluded from trend calculations.

INSURANCE SERVICES OFFICE, INC.

Commercial Automobile
Trucks, Tractors & Trailers Physical Damage
Collision Frequency Trend
Multistate*



*Excludes Massachusetts

Selected Collision Frequency Trend Factor: 0.0%

INSURANCE SERVICES OFFICE, INC.

Multistate*
Trucks, Tractors & Trailers Physical Damage
Collision

Severity Trend

Year Ending:	\$500 Deductible	\$1,000 Deductible	\$2,000 Deductible
12/31/2013	7,869.70	9,516.59	10,293.45
6/30/2014	8,049.97	9,784.88	10,658.49
12/31/2014	8,348.08	10,113.58	11,064.67
6/30/2015	8,630.24	10,330.32	11,221.83
12/31/2015	8,762.94	10,520.79	11,416.54
6/30/2016	9,152.40	10,850.05	11,782.10
12/31/2016	9,316.56	11,031.25	11,963.07
6/30/2017	9,328.76	11,047.18	11,942.35
12/31/2017	9,693.23	11,349.54	12,246.10
6/30/2018	10,086.95	11,771.16	12,639.35

Average Annual Change Using Exponential Fits:

10 point fit:	5.4%	4.5%	4.2%
8 point fit:	5.2%	4.1%	3.7%
6 point fit:	5.1%	4.1%	3.6%

Selected severity trend:	4.5%
Selected frequency trend:	0.0%
Selected pure premium trend:	4.5%

* Multistate data excludes Massachusetts

INSURANCE SERVICES OFFICE, INC.

Multistate*
Private Passenger Types Physical Damage
Other Than Collision

Frequency (expressed as claims per 100 exposures)

	\$250 Deductible		\$500 Deductible		\$1,000 Deductible	
Year Ending:	Actual	Change**	Actual	Change**	Actual	Change**
12/31/2013	5.19		3.11		1.87	
6/30/2014	5.47		3.25		1.94	
12/31/2014	5.30		3.20		1.93	
6/30/2015	4.94	-9.7%	3.08	-5.3%	1.90	-2.1%
12/31/2015	4.95		3.15		1.96	
6/30/2016	4.96	0.3%	3.19	3.8%	1.98	4.6%
12/31/2016	4.97		3.10		1.92	
6/30/2017	4.83	-2.6%	3.00	-6.2%	1.88	-5.1%
12/31/2017	4.76		3.02		1.92	
6/30/2018	4.90	1.5%	3.11	4.0%	1.97	4.4%

Volume*** of losses for the most recent year by deductible:

Deductible:	Percent of Losses
Full	0.3%
\$50	0.4%
\$100	3.2%
\$200	1.0%
\$250	12.1%
\$500	44.5%
\$1,000	36.1%
\$2,000	1.4%
\$3,000	0.4%
\$5,000	0.6%

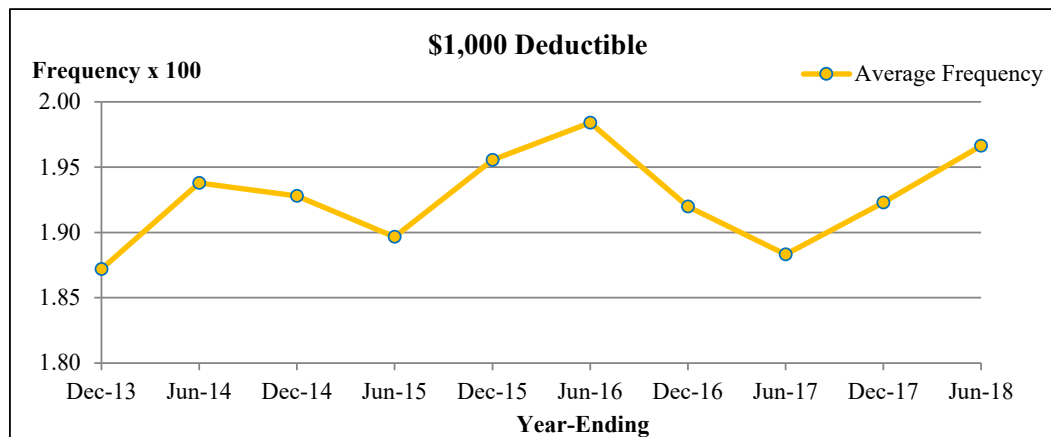
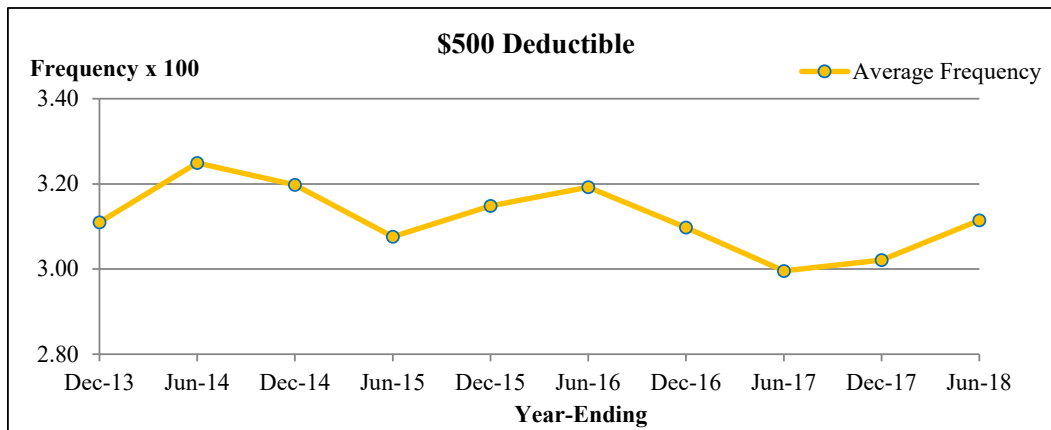
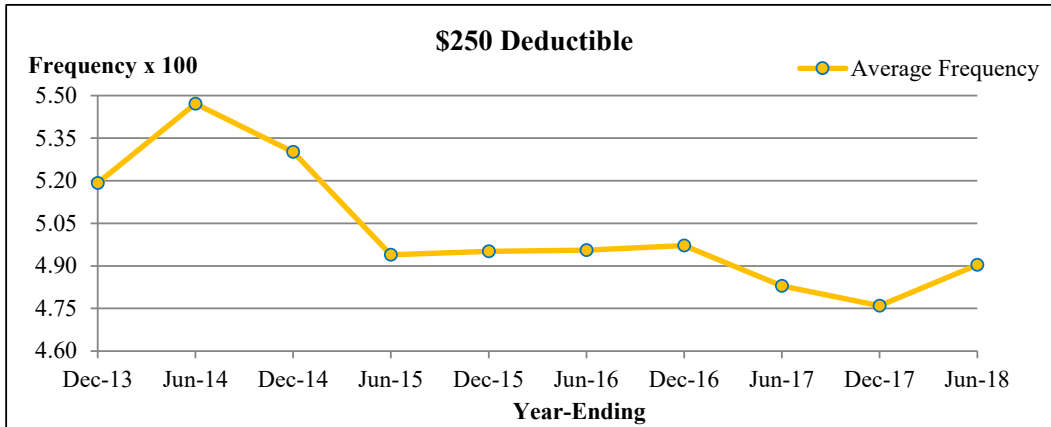
* Multistate data excludes Massachusetts

** Change based on years ending 06/30/xxxx

*** Deductibles above \$1,000, totaling 2.4% of losses, are excluded from trend calculations.

INSURANCE SERVICES OFFICE, INC.

Commercial Automobile
Private Passenger Types Physical Damage
Other Than Collision Frequency Trend
Multistate*



*Excludes Massachusetts

Selected Other Than Collision Frequency Trend Factor: 0.0%

INSURANCE SERVICES OFFICE, INC.

Multistate*
Private Passenger Types Physical Damage
Other Than Collision

Severity Trend

Year Ending:	\$250 Deductible	\$500 Deductible	\$1,000 Deductible
12/31/2013	1,360.85	1,872.54	2,571.50
6/30/2014	1,343.25	1,915.97	2,642.42
12/31/2014	1,436.90	2,012.16	2,777.64
6/30/2015	1,546.27	2,073.87	2,811.07
12/31/2015	1,646.83	2,190.04	2,886.66
6/30/2016	1,741.74	2,306.11	3,004.93
12/31/2016	1,745.09	2,316.15	3,009.07
6/30/2017	1,782.22	2,359.76	3,063.93
12/31/2017	1,875.72	2,532.30	3,358.84
6/30/2018	1,874.46	2,602.86	3,520.00

Average Annual Change Using Exponential Fits:

10 point fit:	8.5%	7.7%	6.6%
8 point fit:	7.6%	7.5%	6.7%
6 point fit:	5.2%	6.9%	8.0%

Selected severity trend:	7.0%
Selected frequency trend:	0.0%
Selected pure premium trend:	7.0%

* Multistate data excludes Massachusetts

INSURANCE SERVICES OFFICE, INC.

Multistate*
Private Passenger Types Physical Damage
Collision

Frequency (expressed as claims per 100 exposures)

	\$500 Deductible		\$1,000 Deductible		\$2,000 Deductible	
Year Ending:	Actual	Change**	Actual	Change**	Actual	Change**
12/31/2013	5.09		4.19		3.00	
6/30/2014	5.25		4.35		3.14	
12/31/2014	5.29		4.43		3.22	
6/30/2015	5.24	-0.2%	4.37	0.4%	3.21	2.2%
12/31/2015	5.26		4.41		3.26	
6/30/2016	5.16	-1.6%	4.37	0.1%	3.24	1.0%
12/31/2016	5.22		4.43		3.30	
6/30/2017	5.21	0.9%	4.41	0.8%	3.31	2.2%
12/31/2017	5.18		4.34		3.29	
6/30/2018	5.22	0.3%	4.44	0.6%	3.41	3.0%

Volume*** of losses for the most recent year by deductible:

Deductible:	Percent of Losses
\$100	0.2%
\$200	0.2%
\$250	2.4%
\$500	45.3%
\$1,000	49.6%
\$2,000	1.3%
\$3,000	0.2%
\$5,000	0.7%

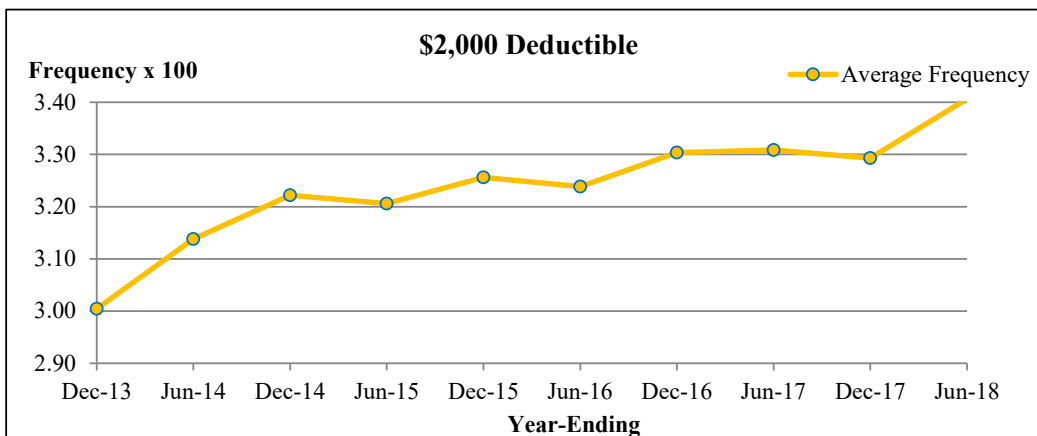
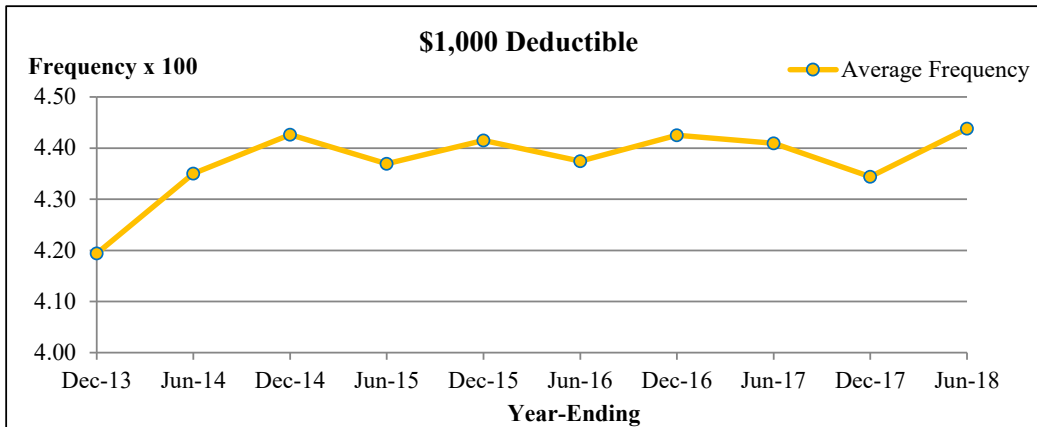
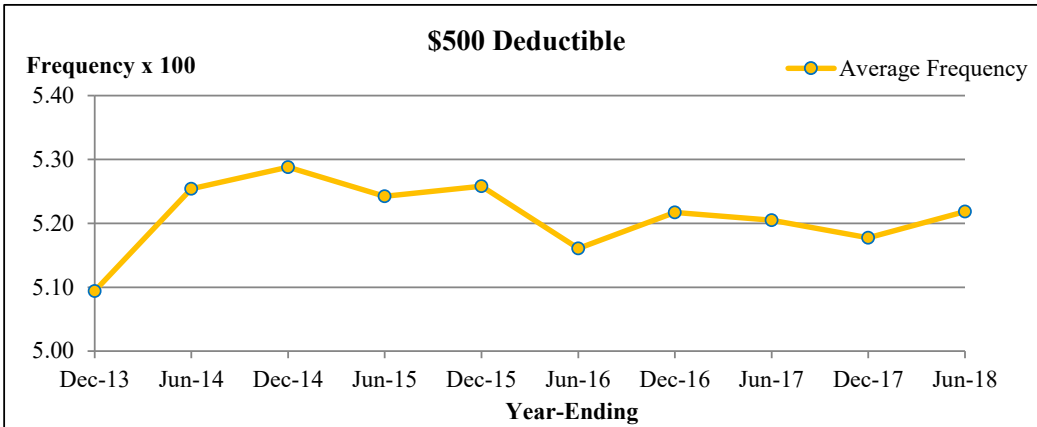
* Multistate data excludes Massachusetts

** Change based on years ending 06/30/xxxx

*** Deductibles above \$2,000, totaling 0.9% of losses, are excluded from trend calculations.

INSURANCE SERVICES OFFICE, INC.

Commercial Automobile
Private Passenger Types Physical Damage
Collision Frequency Trend
Multistate*



*Excludes Massachusetts

Selected Collision Frequency Trend Factor: 0.0%

INSURANCE SERVICES OFFICE, INC.

Multistate*
Private Passenger Types Physical Damage
Collision

Severity Trend

Year Ending:	\$500 Deductible	\$1,000 Deductible	\$2,000 Deductible
12/31/2013	5,035.91	5,505.92	6,089.53
6/30/2014	5,154.12	5,589.80	6,152.21
12/31/2014	5,380.21	5,739.20	6,321.36
6/30/2015	5,511.86	5,902.71	6,475.18
12/31/2015	5,625.36	6,055.31	6,602.68
6/30/2016	5,776.00	6,169.15	6,741.03
12/31/2016	5,929.36	6,234.58	6,793.48
6/30/2017	5,924.60	6,251.11	6,764.86
12/31/2017	6,016.10	6,420.74	6,911.57
6/30/2018	6,515.71	6,802.86	7,297.88

Average Annual Change Using Exponential Fits:

10 point fit:	5.1%	4.3%	3.6%
8 point fit:	4.8%	4.2%	3.4%
6 point fit:	5.0%	4.1%	3.3%

Selected severity trend:	4.5%
Selected frequency trend:	0.0%
Selected pure premium trend:	4.5%

* Multistate data excludes Massachusetts

INSURANCE SERVICES OFFICE, INC.

MULTISTATE
TRUCKS, TRACTORS & TRAILERS
PHYSICAL DAMAGE
OCN TREND CALCULATION

AVERAGE OCN RELATIVITIES

YEAR ENDING	OTHER THAN COLLISION	COLLISION
12/31/2013	1.230	1.372
6/30/2014	1.237	1.381
12/31/2014	1.242	1.390
6/30/2015	1.248	1.398
12/31/2015	1.254	1.407
6/30/2016	1.260	1.418
12/31/2016	1.266	1.429
6/30/2017	1.272	1.439
12/31/2017	1.279	1.451
6/30/2018	1.285	1.462

EXPONENTIAL TREND (AVERAGE ANNUAL CHANGE)

9 POINTS	1.0%	1.4%
7 POINTS	1.0%	1.5%
5 POINTS	1.0%	1.5%
Selected Other Than Collision Physical Damage Annual OCN Trend:		1.0%
Selected Collision Physical Damage Annual OCN Trend:		1.5%

Data excludes the following state: Massachusetts

INSURANCE SERVICES OFFICE, INC.

MULTISTATE
PRIVATE PASSENGER TYPES
PHYSICAL DAMAGE
OCN TREND CALCULATION

AVERAGE OCN RELATIVITIES

YEAR ENDING	OTHER THAN COLLISION	COLLISION
12/31/2013	1.307	1.152
6/30/2014	1.313	1.154
12/31/2014	1.318	1.157
6/30/2015	1.324	1.161
12/31/2015	1.331	1.164
6/30/2016	1.338	1.168
12/31/2016	1.346	1.172
6/30/2017	1.353	1.176
12/31/2017	1.358	1.179
6/30/2018	1.363	1.182

EXPONENTIAL TREND (AVERAGE ANNUAL CHANGE)

9 POINTS	1.0%	0.6%
7 POINTS	1.0%	0.6%
5 POINTS	0.9%	0.6%
Selected Other Than Collision Physical Damage Annual OCN Trend:		1.0%
Selected Collision Physical Damage Annual OCN Trend:		0.6%

Data excludes the following state: Massachusetts

INSURANCE SERVICES OFFICE, INC.

VERMONT

Automobile Liability Insurance - Trucks, Tractors and Trailers

Loss Development

Incurred Losses and Expenses

Bodily Injury

Accident Year Ending	\$100,000 Basic Limit			Loss Development Factors	
	15 Months	27 Months	39 Months	15 to 27 Months	27 to 39 Months
06/30/2007	914,010	801,080	782,376	0.876	0.977
06/30/2008	1,039,229	1,117,431	1,155,047	1.075	1.034
06/30/2009	737,102	900,746	973,016	1.222	1.080
06/30/2010	934,540	1,157,871	1,250,296	1.239	1.080
06/30/2011	750,316	998,185	1,180,439	1.330	1.183
06/30/2012	812,645	1,036,420	1,097,966	1.275	1.059
06/30/2013	642,773	775,740	951,798	1.207	1.227
06/30/2014	1,090,417	1,087,275	1,145,592	0.997	1.054
06/30/2015	940,602	1,124,911	1,342,445	1.196	1.193
06/30/2016	1,131,508	1,255,105	1,536,593	1.109	1.224
06/30/2017	537,449	492,215		0.916	
06/30/2018	824,883				
(1) Average Factor (Best 3 of 5) :					
(A) State				1.101	1.159
(B) Multistate				1.245	1.118
(2) Credibility				0.510	0.240
(3) Credibility Weighted Factors				1.172	1.128

Property Damage

Accident Year Ending	\$100,000 Basic Limit			Loss Development Factors	
	15 Months	27 Months	39 Months	15 to 27 Months	27 to 39 Months
06/30/2007	1,840,653	1,860,180	1,880,665	1.011	1.011
06/30/2008	1,714,277	1,881,709	1,879,768	1.098	0.999
06/30/2009	1,820,570	1,851,172	1,851,386	1.017	1.000
06/30/2010	1,546,420	1,539,051	1,519,169	0.995	0.987
06/30/2011	1,802,404	1,861,550	1,876,773	1.033	1.008
06/30/2012	1,651,631	1,644,617	1,663,500	0.996	1.011
06/30/2013	1,531,201	1,606,208	1,624,145	1.049	1.011
06/30/2014	1,799,444	1,869,672	1,874,749	1.039	1.003
06/30/2015	1,704,999	1,858,288	1,869,765	1.090	1.006
06/30/2016	1,326,310	1,350,324	1,364,073	1.018	1.010
06/30/2017	1,784,975	1,884,927		1.056	
06/30/2018	2,055,967				
(1) Average Factor (Best 3 of 5) :					
(A) State				1.048	1.009
(B) Multistate				1.043	1.009
(2) Credibility				0.760	0.000
(3) Credibility Weighted Factors				1.047	1.009

Summary of Factors

	Bodily Injury	Property Damage
39 to Ultimate **	1.080	1.004
27 to Ultimate	1.218	1.013
15 to Ultimate	1.427	1.061

** Multistate factors

INSURANCE SERVICES OFFICE, INC.

Basic Limits Loss Development
Trucks, Tractors and Trailers - Bodily Injury
Tort States
Incurred Losses and Expenses

Accident Year <u>Ending</u>	\$100,000 Basic Limit <u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
06/30/2007	345,712,119	424,670,826	473,938,971	494,297,476	500,046,997
06/30/2008	333,206,209	405,762,191	451,008,910	471,326,953	476,983,352
06/30/2009	296,024,254	364,832,919	405,305,889	422,030,762	428,719,393
06/30/2010	277,233,663	345,487,763	379,564,234	398,034,010	403,638,838
06/30/2011	302,260,015	366,449,973	406,248,191	426,361,919	432,017,251
06/30/2012	318,014,271	387,169,958	425,516,622	441,334,191	451,135,546
06/30/2013	313,468,466	386,644,285	429,622,674	457,406,308	466,289,546
06/30/2014	334,090,061	406,424,463	453,462,134	484,552,760	494,305,321
06/30/2015	356,001,033	443,170,731	502,651,139	527,769,314	
06/30/2016	410,002,684	519,161,978	585,398,897		
06/30/2017	450,680,525	567,142,759			
06/30/2018	459,144,384				

Ratios

Accident Year <u>Ending</u>	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
06/30/2007	1.228	1.116	1.043	1.012
06/30/2008	1.218	1.112	1.045	1.012
06/30/2009	1.232	1.111	1.041	1.016
06/30/2010	1.246	1.099	1.049	1.014
06/30/2011	1.212	1.109	1.050	1.013
06/30/2012	1.217	1.099	1.037	1.022
06/30/2013	1.233	1.111	1.065	1.019
06/30/2014	1.217	1.116	1.069	1.020
06/30/2015	1.245	1.134	1.050	
06/30/2016	1.266	1.128		
06/30/2017	1.258			
Average Factor: (Best 3 of 5)	1.245	1.118	1.055	1.018

Summary of Factors

63 to Ult:	(75:63) (75:Ult) =	1.006
51 to Ult:	(63:51) (75:63) (75:Ult) =	1.024
39 to Ult:	(51:39) (63:51) (75:63) (75:Ult) =	1.080
27 to Ult:	(39:27) (51:39) (63:51) (75:63) (75:Ult) =	1.208
15 to Ult:	(27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) =	1.504

INSURANCE SERVICES OFFICE, INC.

Basic Limits Loss Development
Trucks, Tractors and Trailers - Bodily Injury
Tort States
Incurred Losses and Expenses

Accident Year <u>Ending</u>	\$100,000 Basic Limit <u>75 Months</u>	<u>87 Months</u>	<u>99 Months</u>	<u>111 Months</u>	<u>123 Months</u>
06/30/2007	500,899,724	501,312,534	501,542,767	501,398,096	501,529,563
06/30/2008	478,729,565	478,580,164	478,923,096	479,011,912	479,111,952
06/30/2009	430,828,563	431,252,766	431,243,322	431,597,510	431,395,836
06/30/2010	406,513,235	406,576,455	406,732,231	407,031,184	
06/30/2011	434,669,263	437,116,434	436,778,468		
06/30/2012	453,586,536	453,257,327			
06/30/2013	465,708,649				

Ratios

Accident Year <u>Ending</u>	<u>75:63</u>	<u>87:75</u>	<u>99:87</u>	<u>111:99</u>	<u>123:111</u>
06/30/2007	1.002	1.001	1.000	1.000	1.000
06/30/2008	1.004	1.000	1.001	1.000	1.000
06/30/2009	1.005	1.001	1.000	1.001	1.000
06/30/2010	1.007	1.000	1.000	1.001	
06/30/2011	1.006	1.006	0.999		
06/30/2012	1.005	0.999			
06/30/2013	0.999				
Average Factor: (Best 3 of 5)	1.005	1.000	1.000	1.001	1.000

Summary of Factors

123 to Ult:	(1.000)	=	1.000
111 to Ult:	(123:111) (123:Ult)	=	1.000
99 to Ult:	(111:99) (123:111) (123:Ult)	=	1.001
87 to Ult:	(99:87) (111:99) (123:111) (123:Ult)	=	1.001
75 to Ult:	(87:75) (99:87) (111:99) (123:111) (123:Ult)	=	1.001

INSURANCE SERVICES OFFICE, INC.

Basic Limits Loss Development
Trucks, Tractors and Trailers - Property Damage
Multistate
Incurred Losses and Expenses

Accident Year <u>Ending</u>	\$100,000 Basic Limit <u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
06/30/2007	454,588,371	474,262,802	477,454,670	478,482,149	478,505,716
06/30/2008	451,084,010	468,624,324	470,449,876	471,285,271	472,196,794
06/30/2009	383,446,334	393,964,943	396,301,833	396,943,561	397,016,365
06/30/2010	361,904,823	373,017,844	375,442,937	376,898,198	377,525,942
06/30/2011	389,042,306	403,274,774	404,942,885	406,040,474	406,413,239
06/30/2012	406,013,751	418,935,372	422,976,335	423,073,117	423,938,769
06/30/2013	411,931,582	426,305,986	430,146,109	431,910,671	431,721,722
06/30/2014	445,211,593	461,904,566	465,431,245	466,344,683	466,058,401
06/30/2015	464,387,179	486,787,340	491,282,360	492,978,684	
06/30/2016	511,908,280	536,694,171	543,339,221		
06/30/2017	538,450,296	562,225,987			
06/30/2018	561,999,905				

Ratios

Accident Year <u>Ending</u>	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
06/30/2007	1.043	1.007	1.002	1.000
06/30/2008	1.039	1.004	1.002	1.002
06/30/2009	1.027	1.006	1.002	1.000
06/30/2010	1.031	1.007	1.004	1.002
06/30/2011	1.037	1.004	1.003	1.001
06/30/2012	1.032	1.010	1.000	1.002
06/30/2013	1.035	1.009	1.004	1.000
06/30/2014	1.037	1.008	1.002	0.999
06/30/2015	1.048	1.009	1.003	
06/30/2016	1.048	1.012		
06/30/2017	1.044			
Average Factor:	1.043	1.009	1.003	1.001
(Best 3 of 5)				

Summary of Factors

63 to Ult:	(75:63) (75:Ult) =	1.000
51 to Ult:	(63:51) (75:63) (75:Ult) =	1.001
39 to Ult:	(51:39) (63:51) (75:63) (75:Ult) =	1.004
27 to Ult:	(39:27) (51:39) (63:51) (75:63) (75:Ult) =	1.013
15 to Ult:	(27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) =	1.057

INSURANCE SERVICES OFFICE, INC.

Basic Limits Loss Development
Trucks, Tractors and Trailers - Property Damage
Multistate
Incurred Losses and Expenses

Accident Year <u>Ending</u>	\$100,000 Basic Limit <u>75 Months</u>	<u>87 Months</u>	<u>99 Months</u>	<u>111 Months</u>
06/30/2007	478,439,409	478,358,291	478,512,270	478,417,123
06/30/2008	472,371,764	472,394,374	472,358,575	472,353,851
06/30/2009	397,190,343	397,190,098	397,333,334	397,310,256
06/30/2010	377,148,021	377,401,469	377,494,441	377,621,557
06/30/2011	407,007,503	407,177,947	407,078,982	
06/30/2012	423,926,226	424,135,352		
06/30/2013	432,068,959			

Ratios

Accident Year <u>Ending</u>	<u>75:63</u>	<u>87:75</u>	<u>99:87</u>	<u>111:99</u>
06/30/2007	1.000	1.000	1.000	1.000
06/30/2008	1.000	1.000	1.000	1.000
06/30/2009	1.000	1.000	1.000	1.000
06/30/2010	0.999	1.001	1.000	1.000
06/30/2011	1.001	1.000	1.000	
06/30/2012	1.000	1.000		
06/30/2013	1.001			
Average Factor: (Best 3 of 5)	1.000	1.000	1.000	1.000

Summary of Factors

111 to Ult:	(1.000)	=	1.000
99 to Ult:	(111:99) (111:Ult)	=	1.000
87 to Ult:	(99:87) (111:99) (111:Ult)	=	1.000
75 to Ult:	(87:75) (99:87) (111:99) (111:Ult)	=	1.000

INSURANCE SERVICES OFFICE, INC.

VERMONT

Automobile Liability Insurance - Private Passenger Types

Loss Development

Incurred Losses and Expenses

Bodily Injury

Accident Year Ending	\$100,000 Basic Limit			Loss Development Factors	
	15 Months	27 Months	39 Months	15 to 27 Months	27 to 39 Months
06/30/2007	276,178	389,536	390,918	1.410	1.004
06/30/2008	179,040	134,411	134,411	0.751	1.000
06/30/2009	78,610	150,813	191,243	1.918	1.268
06/30/2010	226,419	332,995	408,692	1.471	1.227
06/30/2011	71,006	141,675	150,736	1.995	1.064
06/30/2012	325,423	327,810	271,642	1.007	0.829
06/30/2013	41,235	56,220	74,220	1.363	1.320
06/30/2014	112,755	181,534	204,314	1.610	1.125
06/30/2015	68,434	173,673	134,377	2.538	0.774
06/30/2016	215,771	306,905	232,645	1.422	0.758
06/30/2017	135,459	195,470		1.443	
06/30/2018	256,928				
(1) Average Factor (Best 3 of 5) :					
(A) State				1.492	0.909
(B) Multistate				1.217	1.106
(2) Credibility				0.220	0.140
(3) Credibility Weighted Factors				1.278	1.078

Property Damage

Accident Year Ending	\$100,000 Basic Limit			Loss Development Factors	
	15 Months	27 Months	39 Months	15 to 27 Months	27 to 39 Months
06/30/2007	307,076	307,779	307,771	1.002	1.000
06/30/2008	249,848	247,882	247,882	0.992	1.000
06/30/2009	232,563	226,681	226,681	0.975	1.000
06/30/2010	284,442	278,328	277,328	0.979	0.996
06/30/2011	328,789	393,992	378,487	1.198	0.961
06/30/2012	247,805	252,711	252,711	1.020	1.000
06/30/2013	242,692	234,582	235,350	0.967	1.003
06/30/2014	310,767	334,130	334,130	1.075	1.000
06/30/2015	245,378	252,025	252,102	1.027	1.000
06/30/2016	167,910	179,033	179,033	1.066	1.000
06/30/2017	252,724	258,081		1.021	
06/30/2018	181,851				
(1) Average Factor (Best 3 of 5) :					
(A) State				1.038	1.000
(B) Multistate				1.043	1.007
(2) Credibility				0.530	0.000
(3) Credibility Weighted Factors				1.040	1.007

Summary of Factors

	Bodily <u>Injury</u>	Property <u>Damage</u>
39 to Ultimate **	1.068	1.004
27 to Ultimate	1.151	1.011
15 to Ultimate	1.471	1.051

** Multistate factors

INSURANCE SERVICES OFFICE, INC.

Basic Limits Loss Development
Private Passenger Types - Bodily Injury
Tort States
Incurred Losses and Expenses

Accident Year <u>Ending</u>	\$100,000 Basic Limit <u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
06/30/2007	65,197,769	80,858,523	89,732,307	93,427,351	94,564,475
06/30/2008	62,460,508	77,890,418	86,301,067	89,970,720	90,946,785
06/30/2009	65,403,556	79,802,441	86,369,027	89,039,472	89,648,349
06/30/2010	63,817,899	76,414,898	81,793,020	85,155,856	86,602,251
06/30/2011	72,179,919	88,580,962	96,453,156	101,173,602	101,758,417
06/30/2012	75,117,954	90,917,959	98,592,930	103,052,338	104,744,481
06/30/2013	71,329,631	84,402,283	91,554,655	95,800,669	97,645,004
06/30/2014	71,146,024	85,549,512	94,616,795	99,639,347	100,652,079
06/30/2015	69,394,353	85,802,099	97,585,817	101,869,388	
06/30/2016	71,839,858	87,129,289	98,091,114		
06/30/2017	67,861,797	85,462,361			
06/30/2018	72,095,878				

Ratios

Accident Year <u>Ending</u>	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
06/30/2007	1.240	1.110	1.041	1.012
06/30/2008	1.247	1.108	1.043	1.011
06/30/2009	1.220	1.082	1.031	1.007
06/30/2010	1.197	1.070	1.041	1.017
06/30/2011	1.227	1.089	1.049	1.006
06/30/2012	1.210	1.084	1.045	1.016
06/30/2013	1.183	1.085	1.046	1.019
06/30/2014	1.202	1.106	1.053	1.010
06/30/2015	1.236	1.137	1.044	
06/30/2016	1.213	1.126		
06/30/2017	1.259			
Average Factor: (Best 3 of 5)	1.217	1.106	1.047	1.014

Summary of Factors

63 to Ult:	(75:63) (75:Ult) =	1.006
51 to Ult:	(63:51) (75:63) (75:Ult) =	1.020
39 to Ult:	(51:39) (63:51) (75:63) (75:Ult) =	1.068
27 to Ult:	(39:27) (51:39) (63:51) (75:63) (75:Ult) =	1.181
15 to Ult:	(27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) =	1.438

INSURANCE SERVICES OFFICE, INC.

Basic Limits Loss Development
Private Passenger Types - Bodily Injury
Tort States
Incurred Losses and Expenses

Accident Year <u>Ending</u>	\$100,000 Basic Limit				
	<u>75 Months</u>	<u>87 Months</u>	<u>99 Months</u>	<u>111 Months</u>	<u>123 Months</u>
06/30/2007	94,927,133	95,034,128	94,903,172	94,912,367	94,870,208
06/30/2008	91,125,789	91,512,608	91,550,553	91,497,276	91,616,027
06/30/2009	89,642,466	89,444,025	89,735,937	89,714,640	89,667,218
06/30/2010	86,736,179	86,606,840	86,722,855	86,775,963	
06/30/2011	102,125,352	102,351,177	102,689,128		
06/30/2012	105,626,767	105,777,087			
06/30/2013	98,309,309				

Ratios

Accident Year <u>Ending</u>	<u>75:63</u>	<u>87:75</u>	<u>99:87</u>	<u>111:99</u>	<u>123:111</u>
06/30/2007	1.004	1.001	0.999	1.000	1.000
06/30/2008	1.002	1.004	1.000	0.999	1.001
06/30/2009	1.000	0.998	1.003	1.000	0.999
06/30/2010	1.002	0.999	1.001	1.001	
06/30/2011	1.004	1.002	1.003		
06/30/2012	1.008	1.001			
06/30/2013	1.007				
Average Factor: (Best 3 of 5)	1.004	1.001	1.001	1.000	1.000

Summary of Factors

123 to Ult:	(1.000)	=	1.000
111 to Ult:	(123:111) (123:Ult)	=	1.000
99 to Ult:	(111:99) (123:111) (123:Ult)	=	1.000
87 to Ult:	(99:87) (111:99) (123:111) (123:Ult)	=	1.001
75 to Ult:	(87:75) (99:87) (111:99) (123:111) (123:Ult)	=	1.002

INSURANCE SERVICES OFFICE, INC.

Basic Limits Loss Development
Private Passenger Types - Property Damage
Multistate
Incurred Losses and Expenses

Accident Year <u>Ending</u>	\$100,000 Basic Limit <u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
06/30/2007	88,197,899	91,427,704	91,707,657	91,752,979	91,811,338
06/30/2008	89,307,021	91,974,446	92,684,216	92,703,274	92,722,691
06/30/2009	84,795,946	87,377,900	87,844,500	87,999,240	87,903,636
06/30/2010	80,421,758	83,012,925	83,473,037	83,735,519	83,828,568
06/30/2011	85,557,139	88,777,108	89,535,157	89,756,688	90,161,730
06/30/2012	89,230,912	91,915,355	92,462,599	93,066,276	93,176,385
06/30/2013	88,463,965	91,918,701	92,648,921	92,861,198	92,903,616
06/30/2014	90,643,496	94,463,592	95,363,779	95,388,857	95,492,165
06/30/2015	88,979,407	92,641,496	93,408,979	93,425,719	
06/30/2016	93,397,141	98,474,892	98,897,837		
06/30/2017	91,645,710	95,870,976			
06/30/2018	90,437,823				

Ratios

Accident Year <u>Ending</u>	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
06/30/2007	1.037	1.003	1.000	1.001
06/30/2008	1.030	1.008	1.000	1.000
06/30/2009	1.030	1.005	1.002	0.999
06/30/2010	1.032	1.006	1.003	1.001
06/30/2011	1.038	1.009	1.002	1.005
06/30/2012	1.030	1.006	1.007	1.001
06/30/2013	1.039	1.008	1.002	1.000
06/30/2014	1.042	1.010	1.000	1.001
06/30/2015	1.041	1.008	1.000	
06/30/2016	1.054	1.004		
06/30/2017	1.046			
Average Factor:	1.043	1.007	1.001	1.001
(Best 3 of 5)				

Summary of Factors

63 to Ult:	(75:63) (75:Ult) =	1.002
51 to Ult:	(63:51) (75:63) (75:Ult) =	1.003
39 to Ult:	(51:39) (63:51) (75:63) (75:Ult) =	1.004
27 to Ult:	(39:27) (51:39) (63:51) (75:63) (75:Ult) =	1.011
15 to Ult:	(27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) =	1.055

INSURANCE SERVICES OFFICE, INC.

Basic Limits Loss Development
Private Passenger Types - Property Damage
Multistate
Incurred Losses and Expenses

Accident Year <u>Ending</u>	\$100,000 Basic Limit <u>75 Months</u>	<u>87 Months</u>	<u>99 Months</u>	<u>111 Months</u>
06/30/2007	91,729,630	91,787,658	91,726,683	91,734,311
06/30/2008	92,745,633	92,752,263	92,748,754	92,748,809
06/30/2009	87,977,577	87,940,452	87,946,097	87,966,712
06/30/2010	83,975,464	83,946,189	83,939,464	83,939,865
06/30/2011	90,386,345	90,551,020	90,393,316	
06/30/2012	93,355,783	93,358,423		
06/30/2013	92,835,333			

Ratios

Accident Year <u>Ending</u>	<u>75:63</u>	<u>87:75</u>	<u>99:87</u>	<u>111:99</u>
06/30/2007	0.999	1.001	0.999	1.000
06/30/2008	1.000	1.000	1.000	1.000
06/30/2009	1.001	1.000	1.000	1.000
06/30/2010	1.002	1.000	1.000	1.000
06/30/2011	1.002	1.002	0.998	
06/30/2012	1.002	1.000		
06/30/2013	0.999			
Average Factor: (Best 3 of 5)	1.002	1.000	1.000	1.000

Summary of Factors

111 to Ult:	(1.000)	=	1.000
99 to Ult:	(111:99) (111:Ult)	=	1.000
87 to Ult:	(99:87) (111:99) (111:Ult)	=	1.000
75 to Ult:	(87:75) (99:87) (111:99) (111:Ult)	=	1.000

INSURANCE SERVICES OFFICE, INC.

Physical Damage Loss Development
Trucks, Tractors and Trailers - Other than Collision
Multistate
Paid Losses

Accident Year <u>Ending</u>	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
06/30/2007	110,377,450	112,693,692	112,630,518	112,419,461	112,372,229
06/30/2008	138,528,523	142,355,170	142,254,547	142,105,508	142,082,657
06/30/2009	132,646,941	134,654,506	134,488,386	134,623,684	134,655,111
06/30/2010	134,360,155	137,769,546	138,118,245	138,119,512	138,012,406
06/30/2011	152,717,272	157,380,136	157,480,324	157,473,589	157,571,775
06/30/2012	163,089,839	167,896,779	167,618,028	167,726,062	167,785,497
06/30/2013	181,857,401	186,159,044	186,383,187	186,584,002	186,761,635
06/30/2014	156,543,856	161,491,932	162,130,621	162,097,026	162,152,785
06/30/2015	151,544,225	155,815,365	155,778,343	155,796,938	
06/30/2016	171,036,787	175,896,478	176,340,571		
06/30/2017	212,220,796	218,256,637			
06/30/2018	209,499,876				

Ratios

Accident Year <u>Ending</u>	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
06/30/2007	1.021	0.999	0.998	1.000
06/30/2008	1.028	0.999	0.999	1.000
06/30/2009	1.015	0.999	1.001	1.000
06/30/2010	1.025	1.003	1.000	0.999
06/30/2011	1.031	1.001	1.000	1.001
06/30/2012	1.029	0.998	1.001	1.000
06/30/2013	1.024	1.001	1.001	1.001
06/30/2014	1.032	1.004	1.000	1.000
06/30/2015	1.028	1.000	1.000	
06/30/2016	1.028	1.003		
06/30/2017	1.028			
Average Factor: (Best 3 of 5)	1.028	1.001	1.000	1.000

Summary of Factors

63 to Ult:	(75:63) (75:Ult) =	1.000
51 to Ult:	(63:51) (75:63) (75:Ult) =	1.000
39 to Ult:	(51:39) (63:51) (75:63) (75:Ult) =	1.000
27 to Ult:	(39:27) (51:39) (63:51) (75:63) (75:Ult) =	1.001
15 to Ult:	(27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) =	1.029

INSURANCE SERVICES OFFICE, INC.

Physical Damage Loss Development
Trucks, Tractors and Trailers - Other than Collision
Multistate
Paid Losses

Accident Year <u>Ending</u>	<u>75 Months</u>	<u>87 Months</u>	<u>99 Months</u>	<u>111 Months</u>	<u>123 Months</u>
06/30/2007	112,332,698	112,369,580	112,330,275	112,322,766	112,348,460
06/30/2008	142,075,789	142,059,570	141,979,944	141,993,059	141,992,372
06/30/2009	134,842,382	134,820,683	134,909,424	134,923,432	134,923,834
06/30/2010	138,149,316	138,122,877	138,124,923	138,126,041	
06/30/2011	157,627,119	157,627,794	157,619,100		
06/30/2012	167,638,719	167,643,544			
06/30/2013	186,776,248				

Ratios

Accident Year <u>Ending</u>	<u>75:63</u>	<u>87:75</u>	<u>99:87</u>	<u>111:99</u>	<u>123:111</u>
06/30/2007	1.000	1.000	1.000	1.000	1.000
06/30/2008	1.000	1.000	0.999	1.000	1.000
06/30/2009	1.001	1.000	1.001	1.000	1.000
06/30/2010	1.001	1.000	1.000	1.000	
06/30/2011	1.000	1.000	1.000		
06/30/2012	0.999	1.000			
06/30/2013	1.000				
Average Factor: (Best 3 of 5)	1.000	1.000	1.000	1.000	1.000

Summary of Factors

123 to Ult:	(1.000)	=	1.000
111 to Ult:	(123:111) (123:Ult)	=	1.000
99 to Ult:	(111:99) (123:111) (123:Ult)	=	1.000
87 to Ult:	(99:87) (111:99) (123:111) (123:Ult)	=	1.000
75 to Ult:	(87:75) (99:87) (111:99) (123:111) (123:Ult)	=	1.000

INSURANCE SERVICES OFFICE, INC.

Physical Damage Loss Development
Trucks, Tractors and Trailers - Collision
Multistate
Paid Losses

Accident Year <u>Ending</u>	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
06/30/2007	346,512,563	339,587,803	337,458,375	337,204,364	337,287,984
06/30/2008	379,006,444	372,763,500	371,147,893	370,618,357	370,262,256
06/30/2009	337,780,567	332,902,663	331,697,791	331,234,538	331,179,852
06/30/2010	315,223,335	311,099,673	310,277,589	310,058,839	309,914,912
06/30/2011	349,791,773	345,682,184	344,151,744	343,589,386	343,544,881
06/30/2012	363,819,401	358,393,131	356,894,379	356,510,290	356,506,985
06/30/2013	372,737,362	365,121,298	363,452,884	362,896,322	363,275,515
06/30/2014	405,861,355	397,605,941	396,201,479	395,934,031	395,739,325
06/30/2015	431,515,978	419,858,013	417,567,367	417,039,548	
06/30/2016	457,277,923	446,594,786	443,916,167		
06/30/2017	501,735,731	487,961,410			
06/30/2018	537,564,607				

Ratios

Accident Year <u>Ending</u>	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
06/30/2007	0.980	0.994	0.999	1.000
06/30/2008	0.984	0.996	0.999	0.999
06/30/2009	0.986	0.996	0.999	1.000
06/30/2010	0.987	0.997	0.999	1.000
06/30/2011	0.988	0.996	0.998	1.000
06/30/2012	0.985	0.996	0.999	1.000
06/30/2013	0.980	0.995	0.998	1.001
06/30/2014	0.980	0.996	0.999	1.000
06/30/2015	0.973	0.995	0.999	
06/30/2016	0.977	0.994		
06/30/2017	0.973			
Average Factor: (Best 3 of 5)	0.977	0.995	0.999	1.000

Summary of Factors

63 to Ult:	(75:63) (75:Ult) =	1.000
51 to Ult:	(63:51) (75:63) (75:Ult) =	1.000
39 to Ult:	(51:39) (63:51) (75:63) (75:Ult) =	0.999
27 to Ult:	(39:27) (51:39) (63:51) (75:63) (75:Ult) =	0.994
15 to Ult:	(27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) =	0.971

INSURANCE SERVICES OFFICE, INC.

Physical Damage Loss Development
Trucks, Tractors and Trailers - Collision
Multistate
Paid Losses

Accident Year <u>Ending</u>	<u>75 Months</u>	<u>87 Months</u>	<u>99 Months</u>	<u>111 Months</u>	<u>123 Months</u>
06/30/2007	337,176,473	337,687,218	337,104,274	337,088,416	337,129,662
06/30/2008	370,167,503	370,086,792	370,059,727	370,114,614	370,103,565
06/30/2009	331,160,861	331,035,717	331,021,125	331,005,334	331,001,788
06/30/2010	309,948,454	309,929,043	309,939,094	309,972,007	
06/30/2011	343,484,342	343,382,529	343,330,752		
06/30/2012	356,442,849	356,396,620			
06/30/2013	363,157,705				

Ratios

Accident Year <u>Ending</u>	<u>75:63</u>	<u>87:75</u>	<u>99:87</u>	<u>111:99</u>	<u>123:111</u>
06/30/2007	1.000	1.002	0.998	1.000	1.000
06/30/2008	1.000	1.000	1.000	1.000	1.000
06/30/2009	1.000	1.000	1.000	1.000	1.000
06/30/2010	1.000	1.000	1.000	1.000	
06/30/2011	1.000	1.000	1.000		
06/30/2012	1.000	1.000			
06/30/2013	1.000				
Average Factor: (Best 3 of 5)	1.000	1.000	1.000	1.000	1.000

Summary of Factors

123 to Ult:	(1.000)	=	1.000
111 to Ult:	(123:111) (123:Ult)	=	1.000
99 to Ult:	(111:99) (123:111) (123:Ult)	=	1.000
87 to Ult:	(99:87) (111:99) (123:111) (123:Ult)	=	1.000
75 to Ult:	(87:75) (99:87) (111:99) (123:111) (123:Ult)	=	1.000

INSURANCE SERVICES OFFICE, INC.

Physical Damage Loss Development
Private Passenger Types - Other than Collision
Multistate
Paid Losses

Accident Year <u>Ending</u>	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
06/30/2007	41,934,646	42,466,662	42,569,132	42,601,859	42,539,784
06/30/2008	46,558,911	47,217,595	47,139,353	47,082,954	47,097,635
06/30/2009	45,613,444	45,981,546	45,978,165	45,924,295	45,889,428
06/30/2010	48,788,256	49,651,277	49,601,120	49,609,140	49,610,669
06/30/2011	60,189,479	61,825,993	61,800,156	61,797,054	61,771,527
06/30/2012	63,691,196	64,314,500	64,413,554	64,400,321	64,398,654
06/30/2013	71,880,529	72,335,050	72,376,050	72,446,913	72,455,921
06/30/2014	54,708,780	56,244,837	56,409,016	56,425,138	56,429,076
06/30/2015	47,880,123	48,725,619	48,791,856	48,804,924	
06/30/2016	53,034,248	54,129,469	54,155,742		
06/30/2017	59,087,822	60,743,163			
06/30/2018	63,762,180				

Ratios

Accident Year <u>Ending</u>	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
06/30/2007	1.013	1.002	1.001	0.999
06/30/2008	1.014	0.998	0.999	1.000
06/30/2009	1.008	1.000	0.999	0.999
06/30/2010	1.018	0.999	1.000	1.000
06/30/2011	1.027	1.000	1.000	1.000
06/30/2012	1.010	1.002	1.000	1.000
06/30/2013	1.006	1.001	1.001	1.000
06/30/2014	1.028	1.003	1.000	1.000
06/30/2015	1.018	1.001	1.000	
06/30/2016	1.021	1.000		
06/30/2017	1.028			
Average Factor: (Best 3 of 5)	1.022	1.001	1.000	1.000

Summary of Factors

63 to Ult:	(75:63) (75:Ult) =	1.000
51 to Ult:	(63:51) (75:63) (75:Ult) =	1.000
39 to Ult:	(51:39) (63:51) (75:63) (75:Ult) =	1.000
27 to Ult:	(39:27) (51:39) (63:51) (75:63) (75:Ult) =	1.001
15 to Ult:	(27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) =	1.023

INSURANCE SERVICES OFFICE, INC.

Physical Damage Loss Development
 Private Passenger Types - Other than Collision
 Multistate
 Paid Losses

Accident Year Ending	<u>75 Months</u>	<u>87 Months</u>	<u>99 Months</u>	<u>111 Months</u>	<u>123 Months</u>
06/30/2007	42,468,525	42,470,978	42,463,001	42,461,663	42,466,516
06/30/2008	47,101,025	47,100,281	47,101,300	47,104,619	47,115,535
06/30/2009	45,897,362	45,896,496	45,896,863	45,896,003	45,893,154
06/30/2010	49,592,447	49,592,742	49,628,168	49,632,580	
06/30/2011	61,775,629	61,766,425	61,771,088		
06/30/2012	64,417,362	64,411,871			
06/30/2013	72,457,214				

Ratios

Accident Year Ending	<u>75:63</u>	<u>87:75</u>	<u>99:87</u>	<u>111:99</u>	<u>123:111</u>
06/30/2007	0.998	1.000	1.000	1.000	1.000
06/30/2008	1.000	1.000	1.000	1.000	1.000
06/30/2009	1.000	1.000	1.000	1.000	1.000
06/30/2010	1.000	1.000	1.001	1.000	
06/30/2011	1.000	1.000	1.000		
06/30/2012	1.000	1.000			
06/30/2013	1.000				
Average Factor: (Best 3 of 5)	1.000	1.000	1.000	1.000	1.000

Summary of Factors

123 to Ult:	(1.000)	=	1.000
111 to Ult:	(123:111) (123:Ult)	=	1.000
99 to Ult:	(111:99) (123:111) (123:Ult)	=	1.000
87 to Ult:	(99:87) (111:99) (123:111) (123:Ult)	=	1.000
75 to Ult:	(87:75) (99:87) (111:99) (123:111) (123:Ult)	=	1.000

INSURANCE SERVICES OFFICE, INC.

Physical Damage Loss Development
Private Passenger Types - Collision
Multistate
Paid Losses

Accident Year <u>Ending</u>	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
06/30/2007	131,593,165	127,052,647	126,283,960	126,166,615	126,082,081
06/30/2008	138,872,398	134,038,428	133,204,343	132,999,997	132,931,981
06/30/2009	137,724,523	133,471,658	133,022,409	132,731,188	132,668,590
06/30/2010	128,385,855	124,149,076	123,844,990	123,717,613	123,646,210
06/30/2011	136,942,037	132,198,327	131,787,135	131,576,783	131,589,438
06/30/2012	148,056,132	143,565,101	142,918,803	142,869,474	142,785,349
06/30/2013	146,477,963	140,187,024	139,283,963	139,239,427	139,282,568
06/30/2014	151,302,540	144,733,944	144,092,280	143,974,811	143,945,204
06/30/2015	157,617,120	150,169,447	148,872,369	148,682,352	
06/30/2016	163,599,405	155,671,473	154,299,854		
06/30/2017	160,350,794	153,202,735			
06/30/2018	166,421,077				

Ratios

Accident Year <u>Ending</u>	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
06/30/2007	0.965	0.994	0.999	0.999
06/30/2008	0.965	0.994	0.998	0.999
06/30/2009	0.969	0.997	0.998	1.000
06/30/2010	0.967	0.998	0.999	0.999
06/30/2011	0.965	0.997	0.998	1.000
06/30/2012	0.970	0.995	1.000	0.999
06/30/2013	0.957	0.994	1.000	1.000
06/30/2014	0.957	0.996	0.999	1.000
06/30/2015	0.953	0.991	0.999	
06/30/2016	0.952	0.991		
06/30/2017	0.955			
Average Factor: (Best 3 of 5)	0.955	0.993	0.999	1.000

Summary of Factors

63 to Ult:	(75:63) (75:Ult) =	1.000
51 to Ult:	(63:51) (75:63) (75:Ult) =	1.000
39 to Ult:	(51:39) (63:51) (75:63) (75:Ult) =	0.999
27 to Ult:	(39:27) (51:39) (63:51) (75:63) (75:Ult) =	0.992
15 to Ult:	(27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) =	0.947

INSURANCE SERVICES OFFICE, INC.

Physical Damage Loss Development
Private Passenger Types - Collision
Multistate
Paid Losses

Accident Year <u>Ending</u>	<u>75 Months</u>	<u>87 Months</u>	<u>99 Months</u>	<u>111 Months</u>	<u>123 Months</u>
06/30/2007	126,028,716	126,006,119	125,995,076	125,984,116	125,983,733
06/30/2008	132,910,868	132,899,301	132,888,821	132,884,014	132,878,941
06/30/2009	132,636,680	132,612,359	132,609,593	132,596,781	132,581,054
06/30/2010	123,617,145	123,605,809	123,602,195	123,584,888	
06/30/2011	131,538,717	131,540,755	131,536,583		
06/30/2012	142,757,316	142,716,514			
06/30/2013	139,259,097				

Ratios

Accident Year <u>Ending</u>	<u>75:63</u>	<u>87:75</u>	<u>99:87</u>	<u>111:99</u>	<u>123:111</u>
06/30/2007	1.000	1.000	1.000	1.000	1.000
06/30/2008	1.000	1.000	1.000	1.000	1.000
06/30/2009	1.000	1.000	1.000	1.000	1.000
06/30/2010	1.000	1.000	1.000	1.000	
06/30/2011	1.000	1.000	1.000		
06/30/2012	1.000	1.000			
06/30/2013	1.000				
Average Factor: (Best 3 of 5)	1.000	1.000	1.000	1.000	1.000

Summary of Factors

123 to Ult:	(1.000)	=	1.000
111 to Ult:	(123:111) (123:Ult)	=	1.000
99 to Ult:	(111:99) (123:111) (123:Ult)	=	1.000
87 to Ult:	(99:87) (111:99) (123:111) (123:Ult)	=	1.000
75 to Ult:	(87:75) (99:87) (111:99) (123:111) (123:Ult)	=	1.000

INSURANCE SERVICES OFFICE, INC.

(1)	Public Automobiles Liability	Differentials to Base Loss Cost CSL Liab	
	Taxis & Limos		6.20
	School and Church Buses		0.55
	Other Buses		3.80
	Van Pools		1.50
(2)	Public Automobiles Physical Damage		
	Taxis, Limos and Van Pools		
	Other Than Collision:		1.02
	Collision		1.27
	School, Church, and Other Buses		
	Other Than Collision:		0.70
	Collision		0.65
(3)	Medical Payments Relativities	<u>EXHIBIT C17</u>	
(4)	Specified Cause of Loss Relativity		0.576
(5)	The loss cost for hired autos is set forth in Section D. It applies in all territories and is calculated as 0.15% of the statewide \$100,000 Combined Single Limit average loss cost for all Trucks, Tractors, & Trailers.		

INSURANCE SERVICES OFFICE, INC.

(3) Medical Payments Relativities

Territory	Class of Business											
	Trucks, Tractors and Trailers				Private Passenger Types				Other Buses			
	<u>500</u>	<u>1000</u>	<u>2000</u>	<u>5000</u>	<u>500</u>	<u>1000</u>	<u>2000</u>	<u>5000</u>	<u>500</u>	<u>1000</u>	<u>2000</u>	<u>5000</u>
101	0.0067	0.0104	0.0158	0.0268	0.0063	0.0109	0.0180	0.0318	0.0143	0.0235	0.0368	0.0630
102	0.0052	0.0082	0.0124	0.0211	0.0063	0.0109	0.0180	0.0318	0.0104	0.0170	0.0267	0.0457
120	0.0077	0.0119	0.0182	0.0308	0.0063	0.0109	0.0180	0.0318	0.0152	0.0249	0.0391	0.0668
121	0.0062	0.0096	0.0146	0.0248	0.0063	0.0109	0.0180	0.0318	0.0143	0.0235	0.0368	0.0630
122	0.0057	0.0088	0.0134	0.0227	0.0063	0.0109	0.0180	0.0318	0.0133	0.0218	0.0343	0.0586
123	0.0100	0.0156	0.0237	0.0402	0.0063	0.0109	0.0180	0.0318	0.0170	0.0278	0.0436	0.0745

INSURANCE SERVICES OFFICE, INC.

(3) Medical Payments Relativities

Territory	Class of Business											
	School and Church Buses				Taxis and Limos				Van Pools			
	<u>500</u>	<u>1000</u>	<u>2000</u>	<u>5000</u>	<u>500</u>	<u>1000</u>	<u>2000</u>	<u>5000</u>	<u>500</u>	<u>1000</u>	<u>2000</u>	<u>5000</u>
101	0.0191	0.0317	0.0499	0.0797	0.0078	0.0138	0.0228	0.0416	0.0078	0.0120	0.0185	0.0321
102	0.0191	0.0317	0.0499	0.0797	0.0078	0.0138	0.0228	0.0416	0.0078	0.0120	0.0185	0.0321
120	0.0190	0.0316	0.0497	0.0793	0.0078	0.0138	0.0228	0.0416	0.0078	0.0120	0.0185	0.0321
121	0.0191	0.0317	0.0499	0.0797	0.0078	0.0138	0.0228	0.0416	0.0078	0.0120	0.0185	0.0321
122	0.0191	0.0317	0.0499	0.0797	0.0078	0.0138	0.0228	0.0416	0.0078	0.0120	0.0185	0.0321
123	0.0197	0.0326	0.0513	0.0819	0.0078	0.0138	0.0228	0.0416	0.0078	0.0120	0.0185	0.0321

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**VERMONT (44)
TERRITORY 101**

LIABILITY	MEDICAL PAYMENTS				PERSONAL INJURY PROTECTION
	Limit Per Person				
Limit Of Liab. \$100,000	500	1000	2000	5000	Basic Limits
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS					
\$ 231	\$2	\$3	\$4	\$6	N/A
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS					
\$ 249	\$2	\$3	\$4	\$8	N/A
RULE 40. PUBLIC AUTO CLASSIFICATIONS –					
– TAXICABS AND LIMOUSINES					
\$ 1432	\$11	\$20	\$33	\$60	N/A
– SCHOOL AND CHURCH BUSES					
\$ 127	\$2	\$4	\$6	\$10	N/A
– OTHER BUSES					
\$ 878	\$13	\$21	\$32	\$55	N/A
– VAN POOLS					
\$ 347	\$3	\$4	\$6	\$11	N/A
RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT					
\$ 366	Refer to Rule 49.				N/A
<ul style="list-style-type: none">• For liability increased limits factors, refer to Rule 100.• For liability fleet factors, refer to Rules 22. and 39.• Other Than Auto losses for Auto Dealers risks are subject to an aggregate limit equal to three times the liability limit. For additional limits, refer to Rule 49.					

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LIABILITY	MEDICAL PAYMENTS				PERSONAL INJURY PROTECTION
	Limit Per Person				
Limit Of Liab. \$100,000	500	1000	2000	5000	Basic Limits
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS					
\$ 296	\$2	\$3	\$4	\$6	N/A
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS					
\$ 182	\$1	\$2	\$3	\$6	N/A
RULE 40. PUBLIC AUTO CLASSIFICATIONS –					
– TAXICABS AND LIMOUSINES					
\$ 1835	\$14	\$25	\$42	\$76	N/A
– SCHOOL AND CHURCH BUSES					
\$ 163	\$3	\$5	\$8	\$13	N/A
– OTHER BUSES					
\$ 1125	\$12	\$19	\$30	\$51	N/A
– VAN POOLS					
\$ 444	\$3	\$5	\$8	\$14	N/A
RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT					
\$ 542	Refer to Rule 49.				N/A
<ul style="list-style-type: none">• For liability increased limits factors, refer to Rule 100.• For liability fleet factors, refer to Rules 22. and 39.• Other Than Auto losses for Auto Dealers risks are subject to an aggregate limit equal to three times the liability limit. For additional limits, refer to Rule 49.					

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**VERMONT (44)
TERRITORY 120**

LIABILITY	MEDICAL PAYMENTS				PERSONAL INJURY PROTECTION
	Limit Per Person				
Limit Of Liab. \$100,000	500	1000	2000	5000	Basic Limits
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS					
\$ 167	\$1	\$2	\$3	\$5	N/A
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS					
\$ 178	\$1	\$2	\$3	\$6	N/A
RULE 40. PUBLIC AUTO CLASSIFICATIONS –					
– TAXICABS AND LIMOUSINES					
\$ 1035	\$8	\$14	\$24	\$43	N/A
– SCHOOL AND CHURCH BUSES					
\$ 92	\$2	\$3	\$5	\$7	N/A
– OTHER BUSES					
\$ 635	\$10	\$16	\$25	\$42	N/A
– VAN POOLS					
\$ 251	\$2	\$3	\$5	\$8	N/A
RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT					
\$ 304	Refer to Rule 49.				N/A
<ul style="list-style-type: none">• For liability increased limits factors, refer to Rule 100.• For liability fleet factors, refer to Rules 22. and 39.• Other Than Auto losses for Auto Dealers risks are subject to an aggregate limit equal to three times the liability limit. For additional limits, refer to Rule 49.					

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LIABILITY	MEDICAL PAYMENTS				PERSONAL INJURY PROTECTION
	Limit Per Person				
Limit Of Liab. \$100,000	500	1000	2000	5000	Basic Limits
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS					
\$ 225	\$1	\$2	\$3	\$6	N/A
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS					
\$ 212	\$1	\$2	\$4	\$7	N/A
RULE 40. PUBLIC AUTO CLASSIFICATIONS –					
– TAXICABS AND LIMOUSINES					
\$ 1395	\$11	\$19	\$32	\$58	N/A
– SCHOOL AND CHURCH BUSES					
\$ 124	\$2	\$4	\$6	\$10	N/A
– OTHER BUSES					
\$ 855	\$12	\$20	\$31	\$54	N/A
– VAN POOLS					
\$ 338	\$3	\$4	\$6	\$11	N/A
RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT					
\$ 386	Refer to Rule 49.				N/A
<ul style="list-style-type: none">• For liability increased limits factors, refer to Rule 100.• For liability fleet factors, refer to Rules 22. and 39.• Other Than Auto losses for Auto Dealers risks are subject to an aggregate limit equal to three times the liability limit. For additional limits, refer to Rule 49.					

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**VERMONT (44)
TERRITORY 122**

LIABILITY	MEDICAL PAYMENTS				PERSONAL INJURY PROTECTION
	Limit Per Person				
Limit Of Liab. \$100,000	500	1000	2000	5000	Basic Limits
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS					
\$ 205	\$1	\$2	\$3	\$5	N/A
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS					
\$ 214	\$1	\$2	\$4	\$7	N/A
RULE 40. PUBLIC AUTO CLASSIFICATIONS –					
– TAXICABS AND LIMOUSINES					
\$ 1271	\$10	\$18	\$29	\$53	N/A
– SCHOOL AND CHURCH BUSES					
\$ 113	\$2	\$4	\$6	\$9	N/A
– OTHER BUSES					
\$ 779	\$10	\$17	\$27	\$46	N/A
– VAN POOLS					
\$ 308	\$2	\$4	\$6	\$10	N/A
RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT					
\$ 370	Refer to Rule 49.				N/A
<ul style="list-style-type: none">• For liability increased limits factors, refer to Rule 100.• For liability fleet factors, refer to Rules 22. and 39.• Other Than Auto losses for Auto Dealers risks are subject to an aggregate limit equal to three times the liability limit. For additional limits, refer to Rule 49.					

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LIABILITY	MEDICAL PAYMENTS				PERSONAL INJURY PROTECTION
	Limit Per Person				
Limit Of Liab. \$100,000	500	1000	2000	5000	Basic Limits
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS					
\$ 151	\$2	\$3	\$4	\$6	N/A
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS					
\$ 190	\$1	\$2	\$3	\$6	N/A
RULE 40. PUBLIC AUTO CLASSIFICATIONS –					
– TAXICABS AND LIMOUSINES					
\$ 936	\$7	\$13	\$21	\$39	N/A
– SCHOOL AND CHURCH BUSES					
\$ 83	\$2	\$3	\$4	\$7	N/A
– OTHER BUSES					
\$ 574	\$10	\$16	\$25	\$43	N/A
– VAN POOLS					
\$ 227	\$2	\$3	\$4	\$7	N/A
RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT					
\$ 259	Refer to Rule 49.				N/A
<ul style="list-style-type: none">• For liability increased limits factors, refer to Rule 100.• For liability fleet factors, refer to Rules 22. and 39.• Other Than Auto losses for Auto Dealers risks are subject to an aggregate limit equal to three times the liability limit. For additional limits, refer to Rule 49.					

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**VERMONT (44)
TERRITORY 101**

PHYSICAL DAMAGE Original Cost New Range \$15,001 – 20,000			
	Specified Causes Of Loss	\$500 Ded. Comp.	\$500 Ded. Coll.
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS			
– Local And Intermediate – All Vehicles			
– Long Distance – Light Trucks And Trailers Used With Light Trucks			
	\$ 56	\$ 97	\$ 193
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS			
	N/A	\$ 93	\$ 236
RULE 40. PUBLIC AUTO CLASSIFICATIONS			
– TAXICABS AND LIMOUSINES			
	\$ 57	\$ 99	\$ 245
– SCHOOL AND CHURCH BUSES			
	\$ 39	\$ 68	\$ 125
– OTHER BUSES			
	\$ 39	\$ 68	\$ 125
– VAN POOLS			
	\$ 57	\$ 99	\$ 245
<ul style="list-style-type: none"> • For physical damage fleet factors, refer to Rules 22. and 39. • For additional coverages, refer to the Additional Coverages Table in Rules 23. and 40. • For Deductible factors, refer to Rule 98. • For Original Cost New and Age Group factors, refer to Rule 101. • For Stated Amount factors, refer to Rule 101. • For Towing and Labor Costs Coverage rating, refer to Rule 34. 			

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PHYSICAL DAMAGE Original Cost New Range \$15,001 – 20,000			
	Specified Causes Of Loss	\$500 Ded. Comp.	\$500 Ded. Coll.
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS			
– Local And Intermediate – All Vehicles			
– Long Distance – Light Trucks And Trailers Used With Light Trucks			
	\$ 47	\$ 81	\$ 186
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS			
	N/A	\$ 69	\$ 246
RULE 40. PUBLIC AUTO CLASSIFICATIONS			
– TAXICABS AND LIMOUSINES			
	\$ 48	\$ 83	\$ 236
– SCHOOL AND CHURCH BUSES			
	\$ 33	\$ 57	\$ 121
– OTHER BUSES			
	\$ 33	\$ 57	\$ 121
– VAN POOLS			
	\$ 48	\$ 83	\$ 236
<ul style="list-style-type: none"> • For physical damage fleet factors, refer to Rules 22. and 39. • For additional coverages, refer to the Additional Coverages Table in Rules 23. and 40. • For Deductible factors, refer to Rule 98. • For Original Cost New and Age Group factors, refer to Rule 101. • For Stated Amount factors, refer to Rule 101. • For Towing and Labor Costs Coverage rating, refer to Rule 34. 			

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**VERMONT (44)
TERRITORY 120**

PHYSICAL DAMAGE Original Cost New Range \$15,001 – 20,000			
	Specified Causes Of Loss	\$500 Ded. Comp.	\$500 Ded. Coll.
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS			
– Local And Intermediate – All Vehicles			
– Long Distance – Light Trucks And Trailers Used With Light Trucks			
	\$ 46	\$ 79	\$ 203
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS			
	N/A	\$ 80	\$ 260
RULE 40. PUBLIC AUTO CLASSIFICATIONS			
– TAXICABS AND LIMOUSINES			
	\$ 47	\$ 81	\$ 258
– SCHOOL AND CHURCH BUSES			
	\$ 32	\$ 55	\$ 132
– OTHER BUSES			
	\$ 32	\$ 55	\$ 132
– VAN POOLS			
	\$ 47	\$ 81	\$ 258
<ul style="list-style-type: none"> • For physical damage fleet factors, refer to Rules 22. and 39. • For additional coverages, refer to the Additional Coverages Table in Rules 23. and 40. • For Deductible factors, refer to Rule 98. • For Original Cost New and Age Group factors, refer to Rule 101. • For Stated Amount factors, refer to Rule 101. • For Towing and Labor Costs Coverage rating, refer to Rule 34. 			

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PHYSICAL DAMAGE Original Cost New Range \$15,001 – 20,000			
	Specified Causes Of Loss	\$500 Ded. Comp.	\$500 Ded. Coll.
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS			
– Local And Intermediate – All Vehicles			
– Long Distance – Light Trucks And Trailers Used With Light Trucks			
	\$ 47	\$ 82	\$ 185
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS			
	N/A	\$ 89	\$ 263
RULE 40. PUBLIC AUTO CLASSIFICATIONS			
– TAXICABS AND LIMOUSINES			
	\$ 48	\$ 84	\$ 235
– SCHOOL AND CHURCH BUSES			
	\$ 33	\$ 57	\$ 120
– OTHER BUSES			
	\$ 33	\$ 57	\$ 120
– VAN POOLS			
	\$ 48	\$ 84	\$ 235
<ul style="list-style-type: none"> • For physical damage fleet factors, refer to Rules 22. and 39. • For additional coverages, refer to the Additional Coverages Table in Rules 23. and 40. • For Deductible factors, refer to Rule 98. • For Original Cost New and Age Group factors, refer to Rule 101. • For Stated Amount factors, refer to Rule 101. • For Towing and Labor Costs Coverage rating, refer to Rule 34. 			

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**VERMONT (44)
TERRITORY 122**

PHYSICAL DAMAGE Original Cost New Range \$15,001 – 20,000			
	Specified Causes Of Loss	\$500 Ded. Comp.	\$500 Ded. Coll.
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS			
– Local And Intermediate – All Vehicles			
– Long Distance – Light Trucks And Trailers Used With Light Trucks			
	\$ 56	\$ 97	\$ 192
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS			
	N/A	\$ 93	\$ 242
RULE 40. PUBLIC AUTO CLASSIFICATIONS			
– TAXICABS AND LIMOUSINES			
	\$ 57	\$ 99	\$ 244
– SCHOOL AND CHURCH BUSES			
	\$ 39	\$ 68	\$ 125
– OTHER BUSES			
	\$ 39	\$ 68	\$ 125
– VAN POOLS			
	\$ 57	\$ 99	\$ 244
<ul style="list-style-type: none"> • For physical damage fleet factors, refer to Rules 22. and 39. • For additional coverages, refer to the Additional Coverages Table in Rules 23. and 40. • For Deductible factors, refer to Rule 98. • For Original Cost New and Age Group factors, refer to Rule 101. • For Stated Amount factors, refer to Rule 101. • For Towing and Labor Costs Coverage rating, refer to Rule 34. 			

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PHYSICAL DAMAGE Original Cost New Range \$15,001 – 20,000			
	Specified Causes Of Loss	\$500 Ded. Comp.	\$500 Ded. Coll.
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS			
– Local And Intermediate – All Vehicles			
– Long Distance – Light Trucks And Trailers Used With Light Trucks			
	\$ 55	\$ 95	\$ 201
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS			
	N/A	\$ 88	\$ 264
RULE 40. PUBLIC AUTO CLASSIFICATIONS			
– TAXICABS AND LIMOUSINES			
	\$ 56	\$ 97	\$ 255
– SCHOOL AND CHURCH BUSES			
	\$ 39	\$ 67	\$ 131
– OTHER BUSES			
	\$ 39	\$ 67	\$ 131
– VAN POOLS			
	\$ 56	\$ 97	\$ 255
<ul style="list-style-type: none"> • For physical damage fleet factors, refer to Rules 22. and 39. • For additional coverages, refer to the Additional Coverages Table in Rules 23. and 40. • For Deductible factors, refer to Rule 98. • For Original Cost New and Age Group factors, refer to Rule 101. • For Stated Amount factors, refer to Rule 101. • For Towing and Labor Costs Coverage rating, refer to Rule 34. 			

90. HIRED AUTOS

Cost Of Hire Basis – All Territories Liability Base Loss Cost
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\$ 0. <u>25</u> 24

Table 90.B.3.b.(LC) Cost Of Hire Basis Liability Loss Cost

Supplementary Information – Vermont

Introduction

This document provides additional information on the attached loss cost level experience review, including:

- A summary of recent trends in Liability claim costs
- A summary of significant factors used in the development of loss cost indications and a comparison to the factors used in the prior filing that underlie the loss costs currently in effect
- A discussion of the experience underlying the loss cost level evaluation, and how it compares to the prior review
- Issues related to Commercial Auto in Vermont

Statistical plan data reported to ISO is first processed through a system of rigorous automated data verification processes so that only data that would be valid is used for ratemaking. Subsequent to this initial data submission review, additional analyses involving an even more customized data review for this line was performed by staff. During these processes, various data records were excluded from the review, corrected or adjusted. Specifically, various reported exposure amounts have been adjusted prior to their use in the calculations. The ISO staff responsible for this loss cost review also reviewed the data for reasonableness.

Trends in Liability Claim Costs

The table below shows the latest sixteen evaluations of 12-pt. paid claim cost trends.

Multistate Paid Claim Cost Trends

<u>Data Through</u>	<u>\$100,000 Bodily Injury</u>	<u>\$100,000 Property Damage</u>
09/30/2014	+1.8%	+3.7%
12/31/2014	+1.8%	+3.3%
03/31/2015	+1.5%	+3.3%
06/30/2015	+2.2%	+3.5%
09/30/2015	+1.9%	+3.7%
12/31/2015	+2.3%	+4.6%
03/31/2016	+2.9%	+4.8%
06/30/2016	+2.9%	+5.2%
09/30/2016	+2.6%	+5.5%
12/31/2016	+2.7%	+5.7%
03/31/2017	+2.7%	+5.7%
06/30/2017	+2.8%	+5.6%
09/30/2017	+3.0%	+5.4%
12/31/2017	+3.8%	+4.8%
03/31/2018	+4.2%	+4.5%
06/30/2018	+4.4%	+4.3%

ISO believes that bodily injury claim cost trends will primarily be driven by changes in the costs of providing medical care. At times, other factors serve to reduce (or exacerbate) the claim cost trends.

Supplementary Information – Vermont

Trends in Medical Care Costs

The table below shows the last twelve annual rates of change, based upon the CPI, for Medical Care and Hospital & Other Related Services, separately.

<u>Period</u>	<u>CPI – Medical Care Annual Rate of Change¹</u>	<u>CPI – Hospital & Other Related Services Annual Rate of Change</u>
October 2006 - September 2007	4.6%	6.8%
October 2007 - September 2008	3.2%	6.6%
October 2008 - September 2009	3.5%	6.6%
October 2009 - September 2010	3.4%	7.3%
October 2010 - September 2011	2.8%	4.9%
October 2011 - September 2012	4.1%	4.7%
October 2012 - September 2013	2.4%	5.4%
October 2013 - September 2014	2.0%	3.5%
October 2014 - September 2015	2.5%	3.3%
October 2015 - September 2016	4.9%	5.6%
October 2016 - September 2017	1.6%	4.3%
October 2017 - September 2018	1.7%	3.7%

Claim Frequencies

Historically, frequency trends for Commercial Auto liability have been quite variable, have differed between Trucks, Tractors, and Trailers (TTT) and Private Passenger Types (PPT) liability classes, and have often displayed cyclical patterns. As a result, an exponential curve of the form $Y=A(B^X)$ does not fit the data well over the long term. To reflect these characteristics and the difficulty in predicting turning points and rates of change, frequency trend is being selected to be 0% for TTT and PPT for both the Bodily Injury and Property Damage coverages.

Claim Counts

Claim counts are now being estimated from information on the individual loss records reported to ISO, rather than the claim counts that have been reported to ISO via the statistical plans. This is being done to address company inconsistencies in interpreting ISO's claim count reporting rules.

¹ Annual Rate of Change for a particular year is calculated as the CPI index for September of that year divided by the same index for September for the previous year, minus one.

Supplementary Information – Vermont

Vermont Trends

Trucks, Tractors & Trailers and Private Passenger Types Liability

	Current Trends <u>Data through 06/30/2018</u>	Previous Trends <u>Data through 06/30/2017</u>
Vermont Claim Cost Trends		
Bodily Injury (\$100,000 Limit)	-5.9%	31.8%
Property Damage (\$100,000 Limit)	-0.4%	6.4%
Credibility-Weighted Claim Cost Trends		
Bodily Injury (\$100,000 Limit)	4.4%	2.8%
Property Damage (\$100,000 Limit)	4.1%	5.6%
Selected Claim Frequency Trends		
Trucks, Tractors & Trailers		
Bodily Injury	0.0%	0.0%
Property Damage	0.0%	0.0%
Private Passenger Types		
Bodily Injury	0.0%	0.0%
Property Damage	0.0%	0.0%
Selected Pure Premium Trends		
Trucks, Tractors & Trailers		
Bodily Injury (\$100,000 Limit)	4.4%	2.8%
Property Damage (\$100,000 Limit)	4.1%	5.6%
Private Passenger Types		
Bodily Injury (\$100,000 Limit)	4.4%	2.8%
Property Damage (\$100,000 Limit)	4.1%	5.6%

Vermont bodily injury severity trend receives 0% weight when combined with multistate trend in the filing, property damage trend receives 5% weight.

If the prior trends were used to calculate the indicated changes in this document, the Truck, Tractors & Trailers Liability indication would have been 6.6% rather than 5.6%. For the Private Passenger Types coverage, the indication would have been 3.5% instead of 3.8%.

Supplementary Information – Vermont

Physical Damage Loss Trend

		Current Trends	Previous Trends
	<u>Coverage</u>	<u>Data through 06/30/2018</u>	<u>Data through 06/30/2017</u>
Trucks, Tractors & Trailers	OTC	+7.0%	+7.0%
	Collision	+4.5%	+5.0%
Private Passenger Types	OTC	+7.0%	+6.0%
	Collision	+4.5%	+5.0%

Physical Damage OCN Trend

		Current Trends	Previous Trends
	<u>Coverage</u>	<u>Data through 06/30/2018</u>	<u>Data through 06/30/2017</u>
Trucks, Tractors & Trailers	OTC	+1.0%	+0.9%
	Collision	+1.5%	+1.3%
Private Passenger Types	OTC	+1.0%	+1.0%
	Collision	+0.6%	+0.6%

The loss trend has remained the same for Trucks, Tractors & Trailers OTC and has increased by 1.0 points for Private Passenger Types OTC. The OCN trend has increased by 0.1 points for Trucks, Tractors and Trailers OTC and remained the same for Private Passenger Types OTC. If the prior loss and OCN trends were used, the Trucks, Tractors and Trailers and Private Passenger Types OTC indications in this document would have 3.7%, instead of 3.5%, and 9.3%, instead of 11.2%, respectively.

The loss trend has decreased by 0.5 points for Trucks, Tractors & Trailers collision and for Private Passenger Types collision. The OCN trend has increased by 0.2 points for Trucks, Tractors, & Trailers collision and has remained the same for Private Passenger Types collision. If the prior loss and OCN trends were used, the Trucks, Tractors and Trailers and Private Passenger Types collision indications in this document would have been 5.1%, instead of 3.1%, and 1.8%, instead of 0.8%, respectively.

Supplementary Information – Vermont

Loss Development

Methodology

For the Trucks, Tractors & Trailers and Private Passenger Types Liability coverages, we continue to employ a credibility-weighted combination of Vermont and multistate factors for the 15 to 27 month link ratios for BI and PD, and the 27 to 39 month link ratios for BI only. For all coverages, the "best three of five" link ratios have been used. Specifically, the highest and lowest link ratios from the latest five years of the experience have been removed from the calculation and the remaining three ratios are used to calculate the three-year average.

Factors

	<u>Current (100K)</u>	<u>Previous (100K)</u>
Trucks, Tractors and Trailers BI		
39 to Ultimate	1.080	1.076
27 to Ultimate	1.218	1.203
15 to Ultimate	1.427	1.447
Trucks, Tractors and Trailers PD		
39 to Ultimate	1.004	1.005
27 to Ultimate	1.013	1.014
15 to Ultimate	1.061	1.066
Private Passenger Types BI		
39 to Ultimate	1.068	1.065
27 to Ultimate	1.151	1.157
15 to Ultimate	1.471	1.461
Private Passenger Types PD		
39 to Ultimate	1.004	1.006
27 to Ultimate	1.011	1.015
15 to Ultimate	1.051	1.057

Supplementary Information – Vermont

Other Factors

Unallocated Loss Adjustment Expense factors:

	<u>Data through 12/31/2017</u>	<u>Data through 12/31/2016</u>
Bodily Injury	1.075	1.080
Property Damage	1.100	1.105
Physical Damage	1.130	1.140

Indicated vs. Filed Changes

An overall change of 4.5% is indicated when each of the coverage indications is weighted by its respective loss cost volume. Staff will file the indications, which reflect a 01/01/2020 proposed effective date, with the following exceptions:

<u>Coverage</u>	<u>Indicated Change</u>	<u>Filed Change</u>
Private Passenger Types Collision	0.8%	N.C.

The overall filed change is 4.5%.

Notes

- Private Passenger Types Collision indication of 11.2% is mainly due to very poor experience in the latest two accident years.
- The Auto Dealers Liability coverage is not being reviewed this year.
- The Auto Dealers and Garagekeepers physical damage coverages are not being reviewed this year.